COLOMBIA CREST
GOLD CORP

Management's Discussion & Analysis

Form 51-102F1

For the Year Ended September 30, 2012

The Management Discussion's and Analysis ("MD&A), prepared as of January 25, 2013, review and summarize the activities of Colombia Crest Gold Corp. ("Colombia Crest" or the "Company") and compare the financial results for the year ended September 30, 2012, with those of the previous year ended, September 30, 2011. This information is intended to supplement the audited consolidated financial statements for the year ended September 30, 2012 and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Company adopted IFRS on October 1, 2011 with a transition date of October 1, 2010. A reconciliation of the previously disclosed comparative periods' financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP") to IFRS is set out in Note 16 to the audited consolidated financial statements for the year ended September 30, 2012. All amounts 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 Persons" 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 are Dr. Richard Jemielita, a Registered Professional Geologist of Glasgow, Scotland and Peter Ellsworth who holds a Professional Geologist license granted by the Washington State Licensing Board. The Qualified Person regarding the NI 43-101 resource estimate on the L463 Gold Shoot in the Dona Amelia Zone, San Simon Project, Bolivia was Dr. Gilles Arseneau (P. Geo.), Principal Consultant, Geology at SRK Canada in Vancouver.

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 international operations, risks related to the integration of acquisitions; risks related to joint venture operations; 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; and delays in obtaining governmental approvals or financing or in the completion of development or construction activities. 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

Colombia Crest is involved in the acquisition and exploration of gold resource properties in Colombia and Bolivia.

In Bolivia, the Company had exploration and production rights to 52.5 square kilometers on the San Simon plateau in the Department of Beni in northeast Bolivia. The concessions had two main areas of known gold mineralization called Doña Amelia (or Trinidad-Manganeso) and San Simon (or Paititi-Buriti). The Company commenced work at San Simon in 1995. In December 2010, the Company published its first NI 43-101 resource estimate for the Doña Amelia area, as further described in the section on Mineral Properties. Over the past year, the Company has been working on the final terms of an agreement to sell 100% of the San Simon Project, which was finally signed in late 2012.

In Colombia, the Company has executed two agreements to earn up to a 75% interest in the mineral titles of the Fredonia and Venecia properties, both located in the department of Antioquia. These two properties cover almost 310 square kilometres and are the Company's first acquisitions in the Middle Cauca Gold Belt. After initial regional geophysical data collection and interpretation in early 2011, the Company raised funds and assembled a top-tier geologic team, who identified over 20 areas with potential for gold mineralization. .

By late 2011, Colombia Crest field crews had detected, mapped and sampled two large porphyry gold anomalies in the Venecia concession; the area was named Arabia. Rock chip results returned up to 3.8 grams per tonne gold (“g/t Au”), coincident with potassic-altered porphyry outcrops. Shortly thereafter, assay results were received from 1,132 soil samples which showed two distinctly anomalous gold zones, defined as areas greater than 40 parts per billion ("ppb"). The first anomalous area, named Arabia 1, covers an area of almost 400 by 800 metres, while the second area, Arabia 2, located about one kilometre to the southwest, covers an area of 300 by 400 metres. As is typical of porphyry gold-copper systems of the region, the gold anomalies have coincident copper and molybdenum anomalies. Subsequent soil work in later 2011 identified another two anomalous zones bringing the total to four porphyry target zones in the Arabia Porphyry Complex.

The Arabia Porphyry Complex is located about 10 kilometres west of Bellhaven Copper and Gold's La Mina project and about 15 kilometres south of Sunward Resources' Titiribi project, both with porphyry gold-copper resources - these examples demonstrate that Arabia is in a neighborhood of multiple gold-rich porphyry systems.

Following discovery of outcropping gold mineralization at Arabia, IAMGOLD Corporation (“IAMGOLD”) toured the project and completed a private placement, which resulted in them owning 14.0% of the outstanding shares of the Company. If IAMGOLD were to exercise 100% of their warrants outstanding, their ownership could increase to 19.7%. The IAMGOLD placement gave our Colombia projects immediate credibility in the market place and strong financial support for the drill program in 2012. As part of the agreement, Colombia Crest has formed a technical advisory team that includes representatives from both IAMGOLD and Colombia Crest. Building on Colombia Crest's community relations and social responsibility programs, IAMGOLD has added support to this important program

On March 28, 2012, the Company announced that it had mobilized a man-portable, diamond core drill rig onto the property - drilling with the first rig was slow, thus a second rig was added in early August. To facilitate a second rig, the Colombian environmental agency, Corantioquia, granted the Company its water pumping permit on July 13. The permit allows water to be pumped from local creeks to supply multiple diamond drilling rigs over a period of 14 months.

By late 2012, the Company had drilled a total of 18 holes, or over 6,500 metres of core. Two news releases were issued as detailed below, and highlights of the drill program were announced, including 182 metres of 0.38 g/t Au from hole 4 of the program, with several intervals averaging over 0.5 g/t Au. With these assay results, it can be concluded that at Arabia, the Company has discovered porphyry-style gold mineralization in an area that has never been explored or touched by artisanal gold mining. Based on further analysis by the geologic team, the holes are just touching the uppermost portions of a gold-rich porphyry complex at Arabia, and further drilling is necessary in the area to find the high-grade gold portions of the system.

Because there is evidence that several other buried porphyry targets may exist on the 30,973 hectare land package, the exploration team has implemented regional sampling and mapping, along with target-specific geophysical surveys that will test the targets in second half calendar late 2012. From the regional work, one of two Garrucha targets was sampled and has returned gold, copper and molybdenum anomalies consistent of a porphyry target, located less than five kilometres south of the La Mina porphyry complex of Bellhaven Copper and Gold.

While the equity and capital markets have been very difficult, they are rewarding selective issuers with positive exploration results. Therefore, with positive drill results from Arabia, and multiple untested porphyry gold targets on the remainder of the projects, management is confident that funding and additional drilling will be possible, and eventually the markets will return to normal valuations thus rewarding those explorers who persist and make discoveries.

Mineral Properties

Fredonia, Colombia

Fredonia was the first acquisition among several projects the Company has been evaluating in the gold-rich 300 kilometre long Middle Cauca Belt - the acquisition provides Colombia Crest with a significant land position in a largely unexplored portion of a world-class porphyry gold belt with gold production dating back 500 years. The southern end of the Middle Cauca Belt hosts the world class La Calosa gold-copper resource and total resources discovered in the past 5 years has grown to almost 60 million ounces within the belt - thus Fredonia represents the first of many project the Company intends to explore.

On August 1, 2012 the Company notified Grupo de Bullet S.A. ("Bullet") that as it has elected to abandon 15 mineral concessions, covering 4,488 hectares, and return them to Bullet pursuant to the original Fredonia Agreement. The majority of these are small, fragments of mineral title that was granted on or near difficult areas to work, e.g. Venecia town, etc. After dropping these concessions, Colombia Crest retains the rights to explore 16 concessions, which includes 12 Technical Studies and four Contracts, covering approximately 28,988 hectares. Pursuant to an agreement dated August 13, 2010 and amended August 16, 2011, the Company can acquire a 75% interest in the Fredonia property as follows:

Date	Expenditures US$		Common Shares / Warrants Issued	Cash US$	Interest Earned
Upon signature of Agreement	52,500	(cash paid)	-	10,000 (paid)	-
By September 28, 2010	97,500	(paid via issuance of 319,922 shares)	1,000,000 shares and 1,000,000 warrants (i) (issued)	-	-
By October 28, 2010	32,500	(ii)	319,922 shares (issued)	-	-
By March 28, 2011	47,500	(incurred)	-	50,000 (paid)	12.5%
By September 28, 2011	-		-	27,500 (paid)	25.0%
By March 28, 2012 (iii)	902,500	(incurred)	-	-	-
By March 28, 2013 (iii)	1,100,000		-	-	50.0%
By March 28, 2014 (iii)	600,000		-	-	50.0%
Total	2,832,500			87,500	50.0%
By March 28, 2019, upon completion of a positive feasibility study					75.0%

(i) Each warrant exercisable to purchase an additional common share at $0.40 per share expiring September 28, 2012.

(ii) Reimbursement to optioner for taxes paid. By agreement with both parties, time for payment was extended to January, 2011 (paid).

(iii) By an amendment agreement dated August 16, 2011, time stipulated was extended for six months.

In the event that any of the above-noted expenditures are not made within the timeframe specified above, the Company may pay the unspent portion of expenditures directly to the optionor in cash.

By June 27, 2014 (extended by six months by an amendment agreement dated August 16, 2011) the Company must deliver to the optionor written notice (the "Study Notification") of the Company's intention to fund the preparation of a feasibility study, which must be completed by June 27, 2019 (extended by six months by an amendment agreement dated August 16, 2011). In order to maintain its "right to earn a" 75% interest, the optionor must incur a minimum in exploration expenses of US$250,000 during each one year period after the Study Notification until the earlier of: (i) completion of the feasibility study; or (ii) the end of such five year period. In the event the Company does not meet this expenditure requirement in any such one year period, the Company may maintain its right to earn a 75% interest by issuing common shares to the optioner with a value equivalent to the difference between the amount spent during that year and the US$250,000 minimum, provided that such common shares shall be valued at the closing price on the TSXV on the last trading day before the applicable anniversary of the Study Notification date.

After completion of a detailed feasibility study (NI 43-101 compliant), each party will be required to fund its pro-rata share of development costs. During the duration of the agreement, the Company will be responsible for all expenditures related to concession maintenance, including canon payments and insurance policies.

Upon acquisition of a 75% interest in the Fredonia Property, the parties will form a 75/25 joint venture and funding of further exploration and development of the project will be based on the parties' percentage interest. If the optionor chooses not to contribute to funding such work its interest will be diluted, based on an industry standard dilution formulae, to a minimum 2.5% net smelter royalty.

Venecia, Colombia

The Venecia property is owned by Colombian Mines Corporation and located within the Fredonia area. It adjoins the western edge of the La Mina property, owned by Bellhaven Copper and Gold Inc. Pursuant to an Earn In Agreement with Colombian Mines Corporation, dated March 30, 2011, Colombia Crest has an option to acquire up to a 75% interest in the mineral title of the 1,985 hectare Venecia property as follows:

Date	Expenditures (US$)	Common Shares or Warrants Issuance	Cash (US$)	Interest Earned (%)
Upon signature of the LOI (September 30, 2010 - paid)	$ -	-	$30,000(i)	-
By April 14, 2011	50,000 (incurred)	-	-	-
By April 21, 2011	-	250,000 shares and 250,000 warrants(ii) (issued)	-	12.5%
By March 30, 2012	950,000 (incurred)	125,000 shares and 125,000 warrants(ii) (issued)	80,000	25.0%

By March 30, 2013	1,000,000	125,000 shares and 125,000 warrants(iii)	75,000	37.5%
By March 30, 2014	1,000,000	125,000 shares and 125,000 warrants(iii)	350,000	75.0%
Total	$ 3,000,000		$535,000	75.0%

(i) By agreement with both parties, time for payment was extended to December 20, 2010 (paid).

(ii) Warrants have an unit exercise price of $0.4375 with 250,000 expiring April 15, 2013, and 125,000 expiring March 23, 2014.

(iii) Each warrant will have an exercise price equal to the greater of the closing price of the Company's common shares at the date of execution or $0.4375. The warrants will have an expiry date of 2 years after their date of issue.

In the event that any of the above-noted expenditures are not made within the specified timeframes and the Option has not been terminated, the Company may pay the unspent portion of expenditures directly to the optionor in cash.

Upon acquisition of a 75% interest in the Venecia Project, the parties intend to form a 75/25 joint venture and funding of further exploration and development of the project will be based on the parties' percentage interest. Or, the optionor can choose to sell its interest in the project at its fair market value or have the Company fund the optionor's share of expenses, in which event, the Company will receive 100% of proceeds from production until it has been repaid such funds plus interest at the U.S. prime rate plus 5%.

Fredonia-Venecia Exploration Program

Following the acquisition of airborne magnetic and radiometric data in April 2011, the Company announced that it had identified several porphyry target areas. From field follow-up, in May 2011, the Company announced the discovery of porphyry-related alteration in an area named Arabia where alteration mapping delineated an area 700 metres east-west by 900 meters north-south of quartz-sericite-pyrite alteration which overlies a magnetic high. The quartz-sericite-pyrite alteration zone is surrounded by a halo of propylitic alteration, which is typical of a zoned porphyry gold system. The target overlaps both the Venecia and Fredonia concessions. Further rock chip sampling and mapping at the Arabia target resulted in the discovery of potassic-altered diorite porphyry rocks in outcrop. Gold mineralization in the potassic zone coincides with a stockwork of quartz-magnetite veins and sometimes traces of chalcopyrite. Assay results varied from below detection up to 3.8 g/t Au in the samples collected over potassic-altered porphyry rock at Arabia.

In December 2011, the Company announced that two areas of anomalous gold were defined by the soil sample results at Arabia. Assay results from all 1132 soil samples have now been received. Anomalous gold values are those greater than 40 parts per billion ("ppb"). Based on these final soil results, the first anomalous area, reported on November 8, 2011, covers an area of almost 400 by 800 metres, while the second area, which is located about one kilometre to the southwest, covers an area of about 300 by 400 metres. Assay results for the soil samples varied from below detection up to 405 ppb gold in the first anomalous area, or 0.4 g/t Au and in the second area samples returned up to 208 ppb gold.

On May 14, 2012, the Company announced two additional areas of anomalous gold were defined by the latest soil sample results, bringing the total to four large porphyry targets at the Arabia Porphyry Gold-Copper Complex, Antioquia Province, Colombia. These four soil anomalies are weathered mineralization close to surface. A total of 588 soil samples were collected on a 100 by 100 metre grid covering 5.28 square kilometres around the prior Arabia soil grid to the north, west and south. Consistent with other porphyry gold discoveries in the Andes Mountains of South America, the new soil results show that gold is strongly correlated to copper, molybdenum and tellurium. By comparison, in-house airborne magnetic data over the same area also verifies coincidence of the four anomalous soil zones to magnetic highs, thus validating that porphyry targets exist.

On March 28, 2012, the 5,000-metre phase one drill program commenced. Drill sites were located over areas thought to have strong porphyry gold style mineralization based on soil assays, rock chip assays and alteration mapped in outcrop. Holes 1 and 2 were located to test the edge of a porphyry target, which is located in the Arabia 1 soil anomaly. It cut a hydrothermal breccia with multiple stages of mineralization from nearby intrusives, faulting and late-stage overprint of the overlying volcanic rocks. The holes were entirely breccia, which is an excellent indication of proximity to mineralized porphyries.

Holes 3 and 4 are located on the same platform, on top of the best gold in soils anomaly at Arabia. The upper 15 metres is brecciated and appears more mineralized than Holes 1 or 2. Below 15 metres the rock is a pervasively altered, with veins of quartz, magnetite, quartz-magnetite and veins with fine-grained sulfides. Hole 4 cut the longest, most altered section of Arabia 1 mineralized porphyry. Hole 4 returned 182 metres of 0.38 g/t Au, with several shorter intervals over 0.5 g/t Au.

The Colombia Crest technical team has extensive experience drilling and discovering porphyry-style gold deposits: during the drill program, our technical team will be on-site, selecting each drill hole location and angle. Visually, the on-site geologists will be able to examine the core as it is drilled and determine which cores have the best type of mineralization. These visual observations will allow in-field modifications to each drill hole, for example, holes can be extended or the angle changed based on alteration related to gold mineralization, the abundance of copper minerals like chalcopyrite, etc.

By the end of November, Arabia drilling totals 6,574 metres from 18 holes. Based on geologic logging, petrographic interpretation of selected intervals of core and review of the trace element geochemistry, as well as the consistent gold grades in the results to date, Colombia Crest's geological team believes that the porphyry gold-copper system extends laterally and to depth. Three zones stand out as future targets at Arabia:

1. Drill holes AR12-3 and AR12-4 (see October 17, 2012 press release summarized below) were first to cut elevated gold grades, greater than 0.5 g/t Au, related to porphyry-style mineralization. Hole AR12-18, was drilled to test for a northern offset to the same mineralization, and based on the assay results, additional holes are warranted south-southeast of hole AR12-4 to test the continuity of >0.5 g/t Au material.
2. Drill hole AR12-8 also intersected an interval >0.5 g/t Au which is located near a surface rock chip sample that returned 3.8 g/t Au – both are located near Arabia Creek – the mineralized zone remains open to the south and east, thus additional drill testing is warranted in this area.
3. The high-grade gold intercept in AR12-15 (see December 19, 2012 press release summarized below) is believed to be associated with a mineralized fault zone adjacent to mineralized porphyry on the westernmost portion of the drilled area at Arabia. Such high grade structurally controlled mineralization has been shown to have significant strike and depth potential in other nearby deposits such as Continental Gold's Buritica deposit and in the Marmato district where similar veins are known to have greater than 3 kilometre strike lengths and more than 1,000 metres of vertical development. The technical team is evaluating where to drill test for near-surface mineralization related to the same fault. The source of this mineralization may be related to the geochemical-geophysical target, called "Arabia 3" (see May 14, 2012 press release), which is located west of AR12-15.

In addition to the drill program at Arabia, ground work continued on several of the targets identified in the 2011 analysis of geologic and geophysical data at Fredonia - evidence is that several other buried porphyry targets exist on the 310 square kilometre land package. Stream sediment gold values were found on the Garrucha targets, which is located south and southeast of Bellhaven's La Mina project, and most recently work on the easternmost concessions has identified gold-mineralized rocks in outcropping areas – now name El Retiro. The Garrucha and El Retiro areas will be topics of future news as Colombia Crest's geologic teams continue to work on the Fredonia project.

Subsequent Operating Events - Colombia

On October 17th the Company announced the first results from its Phase 1 drill program at the Arabia Porphyry Complex. The best hole returned typical porphyry system grade including 182 metres of 0.38 g/t Au in drill hole AR12-4, including several higher-grade intervals. A total of eight drill holes were reported – the remaining ten holes were reported on December 19 - see below.

Drill Hole	From (m)	To (m)	Length (m)	Au g/t	Cu %
AR12-1	112.1	124.1	12	0.14	0.018
	156	228	72	0.23	0.032
	230	236	6	0.10	0.015
	244	258	14	0.254	0.037
AR12-2	242	282	40	0.18	0.022
AR12-3	12	36	24	0.44	0.023
***including**	***16***	***26***	***10***	***0.51***	***0.026***
	332	348	16	0.25	0.026
	356	364	8	0.17	0.033
AR12-4	46	228	182	0.38	0.042
***including**	***48***	***82***	***34***	***0.55***	***0.047***
and	***104***	***136***	***32***	***0.57***	***0.057***
and	***146***	***154***	***8***	***0.66***	***0.066***
and	***160***	***168***	***8***	***0.45***	***0.046***
and	***178***	***186***	***8***	***0.35***	***0.030***
and	***194***	***200***	***6***	***0.70***	***0.040***
	248	284	36	0.25	0.052
	310	316	6	0.16	0.019
	392	400	8	0.24	0.011
AR12-5	40	50	10	0.20	0.028
	86	110	24	0.22	0.020
AR12-6	164	198	34	0.22	0.021
	212	218	6	0.18	0.018
AR12-7	no intervals exceed minimum criteria				
AR12-8	94	156	62	0.21	0.075
***including**	***134***	***142***	***8***	***0.47***	***0.169***
	158	172	14	0.10	0.051
	200	216	16	0.13	0.076
	224	236	12	0.13	0.076

Minimum criteria are a 0.10 g/t Au cut-off grade, 6 metre length, and no sub-intervals below cut-off that exceed 4 metres.

Intervals noted “***including”** use a 0.3 g/t Au cut-off grade.

On December 19th the Company announced final assay results for the remaining 10 drill holes at Arabia. The best results were 15.7 g/t Au over 1.3 metres in hole AR12-15. The Phase 1 drill program encompassed a total of 18 holes and 6,574 metres. The holes covered over 1.5 kilometres of geologic strike length and test four distinct porphyry targets. Phase 1 drill holes were widely spaced (100 – 400 metres apart), testing a series of geophysical or geochemical anomalies across the Arabia porphyry complex, with the goal of identifying the best potential areas for further exploration. Based on the results from Phase 1, the Phase 2 drill program in 2013 will target expansion of zones with the highest grade gold intercepts (holes 4, 8 and west of hole 15.

Drill Hole Results Above Minimum Criteria

Drill Hole	From (m)	To (m)	Length (m)	Au g/t	Cu %
AR12-13	84	92	8	0.12	0.039
	98	160	62	0.22	0.041
	194	208	14	0.22	0.044
AR12-14	112.1	119.2	7.1	0.25	0.008
AR12-15	177	187	10	0.11	0.015
	199	217	18	0.13	0.012
	262.1	268	5.9	0.13	0.006
	412.4	**413.7**	**1.3****	**15.7**	**0.018**
AR12-16	232	246	14	0.17	0.050
	252	274	22	0.24	0.062
	284	292	8	0.20	0.026
AR12-18	188	220	32	0.22	0.022
***including**	**212**	**218**	**6**	**0.34**	**0.038**
	226	234	8	0.144	0.023

Minimum criteria are a 0.10 g/t Au cut-off grade, 6 metre length, and no sub-intervals below cut-off that exceed 4 metres.

*Intervals noted "***including"** **use a 0.3 g/t Au cut-off grade**.
**The exception is the sample of 15.7 g/t Au in drill hole AR12-15

On October 24th the Company announced that initial stream sediment sampling results have established a new target area within the existing 30,973 hectare land package, named Garrucha. The stream sediment results have revealed two new areas with strong, anomalous gold results. Results of the stream sediment sampling indicates two consecutive micro-hydrographic basins with values up to 82.9 ppb gold which covers an approximate surface of 4 square kilometres located on the north-east portion of the concession 7350B. The anomalous Garrucha target area is located just 5 kilometres south of Bellhaven Copper and Gold's (TSX-V: BHV) La Mina project and 25 kilometres north of AngloGold's Quebradoña Project. The two Garrucha Porphyry targets lie entirely on two of the 16 concessions held under the Fredonia Agreement with Grupo de Bullet (see the Company's website for more details on the property agreements).

The Company also announced the addition of John Bolaños to the team in Colombia as Vice President of Exploration. John 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 (Qualified Person) of the Society of Mining, Metallurgy and Exploration of the USA (SME), Member of the Society of Economic Geologists (SEG), Professional Geologist Engineer (G.E.) and is fluent in Spanish and English. Having worked for Colombia Crest as a consulting geologist since 2010, he is familiar with the project and the geologic team. Mr. Bolaños has 20 years of general management, exploration management and geological experience for Andean Gold Ltd., Ascendant Exploration S.A, Hampton Court Resources Company and Grant Mining S.A Companies. John began his career as Counterpart and the head Ecuadorian Geologist for the British Mission, and has continued to dedicate his career to the exploration and development of Ecuador.

Geotech Ltd. recently completed its data collection over a portion of Colombia Crest's Fredonia-Venecia project utilizing helicopter-borne ZTEM geophysical technology for the first time in the Middle Cauca Belt. ZTEM is a proven technique for identifying potential porphyry systems in the Americas with examples from Alaska to Chile. This technology will be an important addition to the magnetics data the team uses to identify extensive depths of conductive and resistive elements associated with gold-copper porphyries. The electromagnetic survey is receptive to sulfide minerals, as well as silicification and clay alteration, all of which are associated with the porphyry and epithermal deposits in the Middle Cauca Belt. The resulting, interpretive ZTEM resistivity models will enhance Colombia Crest's understanding of porphyry-controlling structures and alteration at Arabia, Garrucha and other targets that were flown on a portion of the immense Fredonia-Venecia land package.

San Simon, Bolivia

At San Simon, the Company held lease options for 100% of mineral title on 10 concessions covering 52.5 square kilometres, located in north-eastern Bolivia in the Iteñez Province, Department of Beni. The original gold discovery on the San Simon plateau was made in 1742 by Jesuit priests, who found gold in a northeast-striking shear zone. The area of that discovery is now called Mina Vieja ("old mine") and it is adjacent to the Trinidad sector, beneath which is the Company's underground development. Surface geological mapping and diamond drilling from 2003 to 2008 have traced the main thrust fault for about four kilometres of east-west strike length and more than 700 metres down-dip.

In 2010, Colombia Crest commissioned SRK Consulting to complete the first NI 43-101 resource estimate for the Doña Amelia Zone, San Simon Project, Bolivia – their resource is described in the table below. According to SRK, these resources include mineralization along an 800 metre long section of the main quartz vein structure, which includes three distinctive mineralized shoots referred to as L463, L484, and San Pedro West. Based on their study, SRK recommended that future drilling along the main quartz vein structure, which has been traced for 4.5 kilometres strike length, maintain a nominal spacing of 25 metres, similar to the analysis made by management in 2007-2008 drilling campaign.

Subsequent Operating Events: Sale of San Simon, Bolivia

On January 2, 2013, the Company announced that it had entered into an agreement for the sale of its Bolivian subsidiary and the San Simon project to STEINMAR Ltda. ("Steinmar"), a Bolivian company. Steinmar purchased the outstanding shares of Eaglecrest Exploration Bolivia S.A. for US$5 million.

The Company has explored in Bolivia since 1996, and in recent years the Bolivian government began to nationalize certain operations in mining, oil and gas, and other industries. Due to the unfavourable political climate and investment risk, management has decided to end the Company's presence in Bolivia.

The National Instrument 43-101 ("NI 43-101") resource estimate on the Doña Amelia area of the San Simon Project was announced on December 10, 2010. It was completed by SRK Canada ("SRK"). They also concluded that drilling elsewhere in the San Simon Project was not closely-spaced enough to support a resource estimate.

Mineral Resource Statement*, Doña Amelia area

Classification	Cut-Off g/t Au	Tonnage* Tonnes	Gold Cap g/t Au
Indicated	>16	300	16.77
Indicated	>10	11,700	12.11
Indicated	>5	103,100	7.20
Indicated	>4	159,100	6.23
Indicated	**>3**	**262,300**	**5.15**
Inferred	>16	2,700	20.99
Inferred	>10	14,000	13.77
Inferred	>5	105,000	7.77
Inferred	>4	159,000	6.65
Inferred	**>3**	**251,800**	**5.46**
**Mineral resources are not mineral reserves and do not have demonstrated economic viability. All numbers have been rounded to reflect the relative accuracy of the estimates.*			

The Agreement

The agreement with Steinmar for the sale of Eaglecrest Exploration Bolivia S.A. calls for US$5 million in cash payments to Colombia Crest, as follows:

At signing, US$ 100,000 (paid)
By the 1st Anniversary, an additional US$ 100,000.
By the 2nd Anniversary, an additional US$ 800,000.
By the 3rd Anniversary, an additional US$ 800,000.
By the 4th Anniversary, an additional US$ 800,000.
By the 5th Anniversary, an additional US$ 900,000.
By the 6th Anniversary, an additional US$ 300,000.
By the 7th Anniversary, an additional US$ 300,000.
By the 8th Anniversary, an additional US$ 300,000.
By the 9th Anniversary, an additional US$ 300,000.
By the 10th Anniversary, an additional US$ 300,000.

With this sale, which is subject to acceptance by the TSX Venture Exchange, the Company will be able to devote its full resources and efforts to its Colombian projects, which management has very high optimism for advancing.

Future Outlook

The upcoming year will build on the foundation that was set during 2011-12. Specific items include:

- Analyze current drill results alongside new ZTEM Survey results to attain better understanding of the location of structures in the property.
- Further surface sampling at the new Garrucha target where strong surface sampling results from stream sediment sampling have already been identified.
- Further surface sampling at the El Retiro target - this is the eastern-most concession of the Fredonia land package where up to 8.25 g/t gold has been discovered in vein-type mineralization in channel chip samples taken from outcrop.
- Drilling at Arabia, Garrucha and possibly El Retiro to follow up on significant gold grades from drilling, outcrop, and stream sediment sampling.
- Continue to identify additional projects in Colombia for acquisition, begin negotiations and sign one project if the terms are acceptable to the Board of Directors of Colombia Crest.

Management is confident that with good drill results, the markets will reward the Company for grass-roots exploration success in Colombia. Even though exploration funding remains a challenge for the majority of junior explorers, Colombia Crest is well-positioned and very focused to achieve its exploration objectives in 2013.

Selected Annual Information

	IFRS Year Ended September 30 2012 $	IFRS Year Ended September 30 2011 $	Canadian GAAP Year Ended September 30 2010 $
Interest income	34,860	29,318	-
Net loss	(7,043,952)	(28,807,480)	(4,121,825)
Basic loss per share	(0.08)	(0.43)	(0.09)
Total assets	11,851,347	18,011,433	62,972,165
Current liabilities	337,779	296,414	585,674
Working capital	1,375,576	3,261,793	327,717
Dividends	Nil	Nil	Nil

The Company has been and is still in the stages of exploring and developing its mineral properties. In essence, the Company has not earned any revenues from its projects. However, during fiscal 2007 and 2008 the Company undertook an underground bulk sampling program in Bolivia whereby large volumes of material were excavated and processed. The purpose was to obtain bulk samples and compare assay results for them with those for much smaller samples from drill holes collared at the surface. The process extracted gold concentrates from the masses of underground rock and were sold to a gold smelting company in Mexico. Total payments received from shipments of the gold concentrates were approximately $1 million. These payments were not classified as revenue in the financial statements, but were offset against exploration expenditures as recovery. The underground bulk sampling program was suspended in the early part of fiscal 2008.

The Company's accounting policy is to record its Colombian mineral properties at cost. Exploration and development expenditures are deferred until the properties are brought into production, at which time, they will be amortized on a unit of production basis. In the event the properties are sold, impaired or abandoned, the deferred cost will be written off. Considerable sums have been spent on the development 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 2011, $27,935,204 in deferred costs expended on concessions within the Dona Amelia zone in Bolivia were written off as the Company no longer intends to invest any major funding for exploration in that area. This accounted for the significant decrease in total assets in 2011 as compared to 2010.

In 2012, the Company expensed another $4,938,801 in exploration and evaluation reserves as it wrote down the last remaining Bolivian concession (San Simon) to a value of $4,629,154. The Bolivian subsidiary was sold outright in December of 2012 for US$5 million cash with proceeds to be paid over a 10 year period. The $4,629,154 represents today's net present value of the sales proceeds. $226,959 were also expended to maintain the previously written off concessions while management was in negotiations and preparations to sell the Bolivian subsidiary.

Results of Consolidated Operations

The year ended September 30, 2012 Review:

For the Year ended September 30, 2012 the Company incurred a consolidated net loss of $7,043,952 as compared to a consolidated net loss of $28,807 480 for the year ended September 30, 2011.

Main accounts that changed notably in the year were as follows:

	2012 $	2011 $	Increase (Decrease)	
Expenses:				
Accounting and audit	119,196	61,830	57,366	1.
Administration	138,000	120,000	18,000	2.
Consulting	24,356	119,235	(94,879)	3.
Corporate development	198,073	237,247	(39,174)	4.
Legal	32,774	130,768	(97,994)	5
Management fees	199,562	177,190	22,372	6.
Stock-based compensation	521,385	646,519	(125,134)	7.
Travel and promotion	219,195	154,057	65,138	8.
General explorations	296,285	85,584	210,701	9.
	1,748,826	1,732,430	16,396	
Other items:				
Due diligence on general mineral property	-	131,646	(131,646)	10.
Maintenance of mineral property	226,959	-	226,959	11.
Write-off of exploration and evaluation assets	4,938,801	27,935,204	(22,996,403)	12.
Gain on sale of property, plant & equipment	(38,456)	(217,957)	(179,501)	13.
Gain on revaluation of foreign currency denominated warrants	(27,559)	(939,411)	(911,852)	14.
All other accounts	195,381	165,568	29,813	
	7,043,952	28,807,480	(21,763,528)	

1. Audit fees higher in 2012 as 2011 fees were under accrued and recognized in 2012. Due to IFRS consultations and extra audit work related to IFRS additional fees were accrued in 2012.
2. Such fees paid were increased $2,000 per month commencing January, 2012.
3. Consulting costs significantly higher in 2011 as several financial consultants were contracted to assist in raising financing.
4. Corporate development expenses also higher due to closing of a major private placement in 2011.

5. Significant legal work was involved in the vetting of Colombian concessions in 2011.
6. Management fees paid in US funds were increased US$2,000 per month commencing January, 2012.
7. Stock-based compensation as calculated using the Black-Scholes option pricing model. For details see Note 8 (c) in the notes to the 2012 audited financial statements.
8. As the first phase of drilling took place in Colombia during 2012, in addition to frequent trips by management to the drilling site, other activities such as promotion of investors' awareness, travel, shows/conventions and other marketing efforts have all increased therefore raising the travel and promotion costs.
9. Due to encouraging results from the Company's efforts in Colombia and the significant successes of other exploration companies in neighbouring regions, management has stepped up general exploration work in 2012 with the goal of identifying further potential acquisitions.
10. In 2011, prior to finalizing the option agreements regarding the Fredonia and Venecia projects in Colombia, due diligence expenditures pertaining to these properties were required to be expensed under the new IFRS.
11. Costs of maintenance during 2012 to the Dona Amelia property in Bolivia, which was written off in 2011.
12. Costs represented the write down of the San Simon concession in 2012, and costs written off in 2011 relate to the Dona Amelia concession.
13. Gain on sale of property, plant & equipment relates mainly to the dismantling and sales of the main components of the recovery mill in Bolivia.
14. Certain warrants denominated in US dollars which were outstanding in 2011 and part of 2012 were required to be fair valued at each period using the binomial option valuation model. These warrants expired in August of 2012. For more details, see Note 8 (d) in the notes to the audited 2012 financial statements.

Three months ended September 30, 2012 Review:

For the fourth quarter ended September 30, 2012, the Company recorded a consolidated net loss of $4,994,411 as compared to a consolidated net loss of $28,017,703 for the fourth quarter ended September 20, 2011.

Main accounts that changed notably in the 4th quarter were as follows:

	2012 $	2011 $	Increase (Decrease)	
Expenses:				
Accounting and audit	25,000	12,500	12,500	1.
Consulting	21,236	1,750	19,486	2.
Corporate development	34,243	88,990	(54,747)	3.
Foreign exchange loss (gain)	72,613	(179)	72,792	4.
Stock-based compensation	(306,357)	46,249	(352,606)	5
General explorations	72,080	16,726	55,354	6.
	(81,185)	166,036	(247,221)	
Other items:				
Maintenance of mineral property	43,621	-	43,621	7.
Write-off of exploration and evaluation reserves	4,938,801	27,935,204	(22,996,403)	8.
Gain on revaluation of foreign currency denominated warrants	(33,775)	(204,541)	(170,766)	9.
All other accounts	126,949	121,004	5,945	
	4,994,411	28,017,703	(23,023,292)	

1. Higher audit fees accrued due to expected additional work relating to IFRS in 2012.
2. Financial consultants engaged to assist in road shows taken place in New York in 2012.
3. Corporate development expenses decreased substantially in 2012 as prior firms engaged in 2011 for such services were terminated. This function was performed mainly by the Company's corporation communications manager in 2012.

4. At the 2012 year end, it was determined that there was more support for the functional currency to be the Canadian dollar as opposed to the Colombian Peso for the Colombian subsidiary, that was previously taken to be in prior quarters during the 2012 fiscal year. As a result of the different foreign exchange used under each currency position, a foreign exchange loss occurred in the 4th quarter of 2012 to reverse the gains in the prior quarters.
5. The figure in 2012 is mainly due to adjustment resulting from recalculation of stock-based compensation relating to incentive options granted during fiscal 2012. Stock-based compensation recorded in 2011 due to incentive options granted during the quarter.
6. During the quarter of 2012 as was the case during the entire 2012 year, management stepped up general exploration work in 2012 with the goal of identifying further potential acquisitions.
7. Maintenance costs incurred in 2012 on Bolivian concessions previously written off.
8. Costs written down in 2012 relate to the San Simon concession, and costs written off in 2011 relate to the Dona Amelia concession.
9. Certain warrants denominated in US dollars which were outstanding in 2011 and part of 2012 were required to be fair valued at each period using the binomial option valuation model. These warrants expired in August of 2012. For more details, see Note 9 (d) in the notes to the audited 2012 financial statements.

Current Year Resource Property Expenditures

- Bolivia - $373,194 (2011: $638,245) – costs incurred (prior to IFRS foreign exchange adjustments) relate solely to the San Simon Property as Dona Amelia was written off at the end of the previous fiscal year. These costs pertain mainly to upkeep and maintenance of the property. As at September 30, 2012, $4,938,801 (net of cumulative foreign exchange adjustments) of deferred costs regarding the San Simon property were written off as management was in the process of selling the Bolivian subsidiary.

- Colombia - $3,219,640 (2011: $1,267,571) – the main focus of the Company's exploration activities is in Colombia. Increased expenditures in 2012 due to drilling activities that commenced in April of 2012.

Summary of Selected Highlights for the Last Eight Quarters

Description	IFRS Sept 30, 2012 $	IFRS Jun 30, 2012 $	IFRS Mar 31, 2012 $	IFRS Dec 31, 2011 $
Balance Sheet:				
Current assets	1,713,355	3,889,310	5,103,011	6,066,328
Exploration assets	9,939,127	16,218,081	14,962,139	14,602,701
Current liabilities	337,779	465,564	285,516	330,505
Shareholders' Equity				
Capital stock	79,783,706	79,783,706	79,783,706	79,757,456
Shares subscribed	1,156,000	1,156,000	1,156,000	1,156,000
Contributed surplus	5,991,735	6,298,092	6,200,674	6,185,741
Cumulative translation adjustment	-	2,955,044	2,723,581	2,913,664
Deficit	(75,572,767)	(70,578,356)	(70,112,269)	(69,691,220)
Working capital	1,375,576	3,423,746	4,817,495	5,735,823
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	(4,994,411)	(466,088)	(421,048)	(1,162,405)
Basic loss per share	(0.06)	(0.01)	(0.00)	(0.01)

Description	IFRS Sept 30, 2011 $	IFRS Jun 30, 2011 $	IFRS Mar 31, 2011 $	IFRS Dec 31, 2010 $
Balance Sheet:				
Current assets	3,558,207	4,622,570	5,356,024	3,616,806
Resources assets	14,387,706	36,007,286	35,794,332	36,336,665
Current liabilities	296,414	320,442	544,603	681,499
Shareholders' Equity				
Capital stock	76,337,456	76,337,456	76,054,956	73,450,292
Shares subscribed	1,156,000	1,156,000	1,156,000	1,156,000
Contributed surplus	5,465,313	5,419,064	5,349,985	4,607,901
Cumulative translation adjustment	3,177,506	(2,337,717)	(2,057,848)	(1,041,857)
Deficit	(68,528,815)	(40,511,112)	(40,377,789)	(39,559,778)
Working capital	3,261,793	4,302,128	4,811,421	2,935,307
Operations:				
Total revenues	Nil	Nil	Nil	Nil
Net loss	(28,010,462)	(133,323)	(825,252)	161,557
Basic loss per share	(0.42)	0.00	(0.01)	0.00

Significant Items Within the Quarter:

For the three months ended September 30, 2012 (IFRS)

- Wrote off $4,938,801 of exploration and evaluation assets in Bolivia
- Expensed $46,621 in maintenance costs on property evaluation assets in Bolivia
- Gain of $32,143 on sale of property, plant and equipment
- Gain of $33,775 on revaluation of foreign currency denominated warrants
- Working capital of $1,375,576

For the three months ended June 30, 2012 (IFRS)

- Expensed $61,375 in maintenance costs on property evaluation assets in Bolivia
- Expensed general explorations of $91,453
- Recorded stock-based compensations of $97,418
- Working capital of $3,423,746

For the three months ended March 31, 2012 (IFRS):

- Expensed $63,633 in maintenance costs on property evaluation assets in Bolivia
- Expensed general explorations of $81,983
- Working capital of $4,817,495

For the three months ended December 31, 2011(IFRS):

- Expensed $58,330 in maintenance costs on property evaluation assets in Bolivia
- Recorded $720,428 in stock-based compensations
- Closed private placement of $3,420,000
- Working capital of $5,735,823
-

For the three months ended September 30, 2011 (IFRS):

- Wrote off $27,935,204 of exploration and evaluation reserves in Bolivia
- Gain of $204,541 on revaluation of foreign currency denominated warrants
- Gain of $40,710 on property, plant and equipment
- Working capital of $3,261,793

For the three months ended June 30, 2011 (IFRS):

- Recorded gain of $204,542 on revaluation of foreign currency denominated warrants
- Issued 250,000 shares and 250,000 warrants valued at $117,900 pursuant to property option agreement
- Recorded $40,920 stock-based compensation
- Working capital of $4,302,128

For the three months ended March 31, 2011 (IFRS):

- Closed 2nd tranche of private placements for gross proceeds of $2,989,301
- Expensed $122,102 in due diligence on general mineral property in Colombia
- Recorded gain of $204,542 on revaluation of foreign currency denominated warrants
- Recorded stock-based compensation of $599,350
- Working capital of $4,811,421

For the three months ended December 31, 2010 (IFRS):

- Recorded gain of $325,786 on revaluation of foreign currency denominated warrants
- Closed first tranche of private placements for gross proceeds of $3,443,477
- Issued 319,922 shares for option on Colombian property valued at $118,371
- Gain on disposal of equipment of $177,247
- Working capital of $2,935,307

Liquidity and Solvency

At this time, the Company has no operating revenues and does not anticipate any operating revenues until the Company is able to find, acquire, or place in production and operate a mining property. Historically, the Company has raised funds through loans, shares for debt settlements, private placements and the exercise of options and warrants.

During the first quarter of fiscal 2011, management closed the first tranche of a non-brokered placement with gross proceeds in excess of $3.4 million. On February 4, 2011, the second tranche was closed with gross proceeds of $3.0 million.

The total proceeds of in excess of $6.4 million from the private placement will be used for exploration of gold properties in Bolivia and Colombia, but with the focus on Colombia and general working capital purposes.
On November 7, 2011, the Company closed a private placement with IAMGOLD for the purchase of 12 million units at a price of $0.285 per unit for gross proceeds of $3,420,000. Each unit is comprised of one common share and one-half of a share purchase warrant with each full warrant exercisable to purchase an additional share of the Company at a price of $0.35 expiring October 31, 2013.

As at September 30, 2012, the Company has cash on hand of $1,546,853 and working capital of $1,375,576. Cash reserves are deposited into interest bearing accounts with a major Canadian bank.

The Company has not yet determined whether its properties contain ore reserves. The recoverability of amounts shown for mineral properties is dependent upon the discovery of ore reserves in its mineral properties, the ability of the Company to obtain the necessary financing to complete development, confirmation of the Company's interest in the underlying mineral claims and leases, and upon sufficient future profits or proceeds from the disposition of its mineral properties.

The market price of metals is highly speculative and volatile. Instability in metal prices may affect the interest in mining properties and the development of and production from such properties. Any down turn may adversely affect the Company's ability to raise capital to explore existing or new mineral properties.

Currently, the Company may not have sufficient funds to pay overhead and administration expense and to finance its exploration projects for fiscal 2013, and management is working on a financing proposal. 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 outcome of its exploration programs, the price of precious and base metals, and the overall health and stability of junior capital markets, inclusive of the TSXV. The financial markets upon which the Company is reliant are widely expected to experience continued volatility potentially throughout 2013, reflective of 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. This uncertainty has led to continued volatility in commodity markets. Furthermore, unprecedented uncertainty in the credit markets has also led to increased difficulties in accessing capital.

Junior exploration companies worldwide have been hit particularly hard by these trends. Accordingly, the Company may have difficulty raising additional equity financing for the purposes of gold and other precious mineral exploration without significantly diluting the position of its current shareholders. 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 focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives. The Company has a strong belief in the exploration potential of its property and aims to emerge from the current economic situation in a solid financial position.

Foreign Countries and Laws and Regulations

The Company has interests in properties that are located in developing countries of Bolivia and Colombia, and the mineral exploration and mining activities of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Any changes in regulations or shifts in political conditions or attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety.

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

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after October 1, 2011 or later years. The following standards and interpretations have been issued but are not yet effective:

IFRS 9, Financial Instruments

IFRS 9 Financial Instruments is part of the IASB's wider project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. The standard is effective for annual periods beginning on or after January 1, 2015. Management is in the process of evaluating the impact of the new standard on the Company.

IFRS 10 Consolidated Financial Statements

IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is yet to assess the full impact of IFRS 10 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013

IFRS 11 Joint Arrangements

IFRS 11 describes the accounting for arrangements in which there is joint control; proportionate consolidation is not permitted for joint ventures (as newly defined). IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC 13 Jointly Controlled Entities — Non-Monetary Contributions by Venturers. The Company is yet to assess the full impact of IFRS 11 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is yet to assess the full impact of IFRS 12 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

IFRS 13 Fair Value Measurement

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company is yet to assess the full impact of IFRS 13 and intends to adopt the standard no later than the accounting period beginning on January 1, 2013.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

In IFRIC 20, the IFRS Interpretations Committee sets out principles for the recognition of production stripping costs in the balance sheet. The interpretation recognizes that some production stripping in surface mining activity will benefit production in future periods and sets out criteria for capitalizing such costs. While the Company is not yet in the production phase, the Company is currently assessing the future impact of this interpretation.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

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 January 25, 2013:

Securities	Number	Weighted-Average Exercised Price	Expiry Date
Common shares issued and outstanding	85,649,956	N/A	N/A
Share purchase options	7,285,000	$0.52	Feb 8, 2013 – Nov 8, 2017
Share purchase warrants	21,775,438	$0.48	Feb 4, 2013 - Mar 23, 2014
Fully diluted share capital	114,710,394	N/A	N/A

For a breakdown of the securities as at September 30, 2012 refer to the notes to the audited consolidated financial statements for the year September 30, 2012.

Related Party Transactions

Key management personnel are persons responsible for the planning, directing and controlling the activities of the entity. The Company's key management personnel included the CEO, CFO, VP of Exploration and VP Business Development and their compensation is as follow:

	For the years ended September 30	
	2012	2011
	$	$
Management fees	199,562	177,190
Administration fees	138,000	120,000
Corporate development	-	12,000
Geological consulting fees	197,457	176,094
Total	535,019	485,284

In addition, options were also granted to management and directors with the following option valuations:

	For the year ended September 30, 2012		For the year ended September 30, 2011	
	Number of Options	Option Valuation $	Number of Options	Option Valuation $
CEO	900,000	167,400	400,000	118,920
CFO	200,000	37,200	200,000	59,460
Officer	300,000	40,600	250,000	34,410
Directors	850,000	158,100	1,100,000	327,030
Total	2,250,000	403,300	1,950,000	539,820

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

	As at September 30	
	2012	2011
	$	$
Amounts due to management:		
Administration fees	12,000	10,000
Geological consulting fees	28,134	20,882
Expenses and other	5,807	4,344
Total	45,941	35,226

Included in the prepaid expenses and deposits are travel expense advances to management:

	As at September 30	
	2012	2011
	$	$
Travel expenses	29,674	10,000
Total	29,674	10,000

Events after Reporting Period

- After the year ended September 30, 2012, the Company entered into an agreement with a third party to sell all of the outstanding shares of EEB. The primary asset of EEB is the Company's exploration and evaluation assets located in Bolivia. The sale price is US$5,000,000 with the amounts to be received over a 10-year period without interest. The transaction is subject to the regulatory approval.
- After the year ended September 30, 2012, the Company granted 250,000 options to a director and 200,000 options to a consultant. Each option is exercisable at $0.25 per share with expiry date from November 8, 2014 to November 8, 2017. Options granted to a director vest immediately and the 200,000 options granted to a consultant have 50,000 options vesting every three months commencing February 8, 2013.
- After the year ended September 30, 2012, the Company cancelled 800,000 options, 300,000 options with exercise price of $0.35, 400,000 options with exercise price of $0.45 and 100,000 options with exercise price of $1.00 per share.

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 June 30, 2012. 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

Colombia Crest is in the exploration and development stage and 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 the Colombia Crest properties are considered to be in the exploration stage only and do 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 does have mineral resources, such resources are not mineral reserves and do 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 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 has 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 are 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 in a manner which means stricter standards and enforcement, fines and penalties for non-compliance are more stringent. 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 operations of Colombia Crest and potential development and commencement of production on its properties, require permits from various federal and local governmental authorities and such operations are 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 and increasing competition exists for the limited number of mineral 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. Colombia Crest 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, with the ultimate goal of producing, precious and base metals from its mineral exploration properties. None of the Colombia Crest properties have 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 properties profitably or that its 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 proposed major assets of Colombia Crest and certain of its existing and proposed management are or will 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.

Political Risks - The Company operates in both Bolivia and Colombia. By year end, Bolivia will not be a major factor as management will be winding down its operation there and will be concentrating its exploratory efforts in Colombia. Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces 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. Such instability may require the Company to suspend operations on its properties. Since the election of President Álvaro Uribe Vélez in May 2002, and his subsequent re-election in May 2006, the security situation in the country has improved significantly. Since the election and appointment of President Juan Manuel Santos in August 2010, the security situation has remained stable.

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.

Although the Company is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, 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 of Colombia 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.