

Colossus Minerals Provides Corporate, Operations and Financial Update

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TORONTO, ONTARIO--(Marketwire - Nov 14, 2013) - [Colossus Minerals Inc.](#) (the "Company" or "Colossus") (TSX:CSI)(OTCQX:COLUF) provides a development update for its 75% owned Serra Pelada gold-platinum-palladium Mine. In addition, the Company is providing a summary of the financial results for the interim periods ended September 30, 2013. The Serra Pelada Mine is a joint venture between Colossus and Cooperativa de Mineração dos Garimpeiros de Serra Pelada ("COOMIGASP") located in the State of Pará, Brazil.

CONSTRUCTION AND DEVELOPMENT UPDATE

Underground Development

As of November 14, 2013, the Company had completed approximately 2,300 metres of total development; 1,500 primary and 800 metres secondary development. On July 15, 2013, the Company announced that some dewatering wells (bores) and pumps were not performing to design specifications and, as a result, the Company required additional dewatering capacity in order to mine the Central Mineralized Zone ("CMZ") in a sustainable, effective and efficient manner.

As disclosed in September 2013, several bores and pumps have been repaired and six bores are now operating. Refurbishment of three additional bores was not successful. Total dewatering capacity is currently at 790 m³ per hour. Three more bores are in the process of being refurbished. Two additional bores with a capacity of 250 m³ per hour each are being established. Installation of this equipment has been delayed due to issues of mobilizing drill rigs to site and equipment supply. It is currently expected that the first of the two new wells will be operational by early December 2013.

The rate of recharge to the bore field has been observed to be approximately 20% higher than anticipated during the period September and October 2013. This is being investigated by our hydrological consultants. It is considered likely that this is the result of interconnection with an aquifer. Recently, the rate of recharge has reduced to the rate expected from the hydrological model and the bore field water level has resumed its anticipated rate of drawdown. Prior to this observation, in the third quarter, the Company decided to build contingency into its dewatering program by drilling the second of the two new wells referenced above. Establishment of this well is already underway and it is expected to be operational by mid December 2013. The Company has concluded that certain wells are not salvageable. Total capacity, upon completion of the two new wells and the refurbishment program, is expected to increase total flow to the range of 1300 - 1400 m³ per hour. The Company's hydrology consultants continue to monitor recharge rates and water table drawdown and the Company believes that the targeted dewatering capacity has sufficient contingency to remove the volume of water necessary to allow sustainable mining in 2014. Infrastructure development in the red and grey siltstone has not been impacted however and continues to progress according to plan. The resources of the Company are focused on mine infrastructure development and additional dewatering in order to achieve the Company's plans of delivering ore to the process plant during the second quarter 2014.

Expansion of the ventilation system has progressed with completion of Phase I, which included installation of vent fans and ductwork in the mine, to draw air through the vent raise and increase air flow to 45m³/s. This three-fold increase in air volume to the underground operations was achieved by the end of the third quarter. At this time, there is sufficient ventilation to complete all infrastructure up to the point that production mining starts. In order to achieve the planned rates of production, the ventilation system requires further expansion to 140m³/s. This will provide sufficient air to support four crews and sets of equipment. The Phase II expansion work includes widening and concrete lining the artisanal shaft which will be used as a ventilation raise as well as to provide secondary access and egress. Development of the drift to tie the ramp to this ventilation raise at depth is advanced by approximately 75%. The Phase II ventilation system upgrade is approximately 60% complete. The additional three-fold increase in air volume is expected to occur in the first

quarter of 2014, with completion of the shaft expansion and installation of associated surface vent fans.

The Company continues to make progress in its mine planning activities and has laid out the month by month development for the remainder of 2013 and 2014 below. Specifically, the Company's anticipated production schedule for the advancement of development at the Serra Pelada Mine is as follows:

Completed Activity:

September 2013	Continue to progress decline complete #4 pump station and advance vent access. Start Horizon 1 mineralization access drives in the south east.
October 2013	Continue to progress decline until the depth of the Horizon 2 mineralization access drive is reached. Complete vent access and advance shaft expansion toward completion.

Future Activity:

Month	Activity
November 2013	<ul style="list-style-type: none"> - Continue Horizon 1 and start Horizon 2 access drives. - Continue the Phase II ventilation upgrade project. - Continue development of underground sump system to handle increased production of water from workings and diamond drill activity. - Develop North access ore drives on Horizon 1
December 2013	<ul style="list-style-type: none"> - Continue development of North ore access drives in Horizon 1 - Start development of South ore access in Horizon 1. - Start development of ore access drives in Horizon 2. - Continue Phase II ventilation upgrade - Increase total dewatering rate from 790 m³/h to the range of 1,300-1,400 m³/h
January 2014	<ul style="list-style-type: none"> - Continue ramp development toward Horizon 3 - Continue development of ore access drives in Horizon 1 & 2. - Continue Phase II ventilation upgrade.
February 2014	<ul style="list-style-type: none"> - Continue ramp development toward Horizon 3, plus infrastructure (sumps, diamond drill bays, remuck) - Continue development of ore access drives in Horizon 1 & 2. - Continue Phase II ventilation upgrade.
March 2014	<ul style="list-style-type: none"> - Continue ramp development toward Horizon 3, plus infrastructure (sumps, diamond drill bays, remuck) - Continue development of ore access drives in Horizon 1 & 2. Continue Phase II ventilation upgrade to achieve tie in with shaft bottom and access drift.

The various phases of the construction, along with respective percentages complete are presented in the table below.

	September 17	November 14
Total Project	92 %	95 %
Process Plant		
Engineering	100 %	100 %
Procurement	99 %	99 %
Civil construction	100 %	100 %
Structural steel fabrication	100 %	100 %
Structural, mechanical, piping & electrical installation	88 %	95 %
Power house	100 %	100 %
Ventilation upgrade Phase I	100 %	100 %
Ventilation upgrade Phase II	55 %	60 %
Tailings impoundment facility	80 %	95 %
Rehabilitation of dewatering bore field	85 %	90 %
Expansion of dewatering capacity	30 %	80 %

The Company has continued its comprehensive internal evaluation of a number of different mining methods. Preliminary results from the geotechnical evaluation indicate that a more cost effective alternative to underhand-cut-and-fill may be achievable in certain sections of the mineralized area. The Company is evaluating alternatives such as conventional-cut-and-fill and other methods. This evaluation has led to procurement of new equipment and ground support tools which are now on site and being used to assist management in determining whether an alternative mining method will be viable.

Roscoe Postle Associates Inc. ("RPA") has been engaged to prepare an initial National Instrument 43-101 -

Standards of Disclosure for Mineral Projects ("NI 43-101") compliant resource estimate for the Serra Pelada Mine which the Company expects to complete in the second quarter of 2014.

Underground Drilling

Underground delineation drilling continued to target the CMZ with 6 holes completed for a total of 915.2 metres of NQ caliber core. Drill core recovery has improved since the new Atlas Copco U6 drill has been commissioned with overall recovery in the 80% range for the holes completed in the quarter.

Highlights from the drill results include a 29.50 metre core length encountered in hole SPUD-027 drilled between sections 0 and 25NE that returned 5.14 g/t Au, 0.29 g/t Pt and 0.42 g/t Pd and included a 2.65 metre core length of 47.58 g/t gold. The hole intersected the upper limb portion of the ore zone which typically contains lower grades of platinum and palladium. Drilling will continue from the current drill bay and two new bays are expected to be completed during the fourth quarter.

Dewatering holes will be incorporated into the delineation drilling program. These holes will aid in the overall dewatering of the sandstone unit which makes up the hanging wall to the CMZ.

Process Plant

The process plant construction project is progressing to completion. The primary crusher, scrubbing and screening, secondary crusher, conveyors, fine ore bin, reagent handling and grinding areas are substantially complete. Civil construction of the Gold Room is complete and this area is in the final stages of piping, electrical and instrumentation fit out. Across the site, principal contractors for civil, mechanical, piping and electrical works have been demobilized. Local contractors have been retained to complete final fit out and provide commissioning assistance where needed.

Commissioning of several areas was started in August 2013 and pre-commissioning is complete. Hot commissioning with power supply, testing of all motors and drives is in progress and is anticipated to be complete at the end of November. The operations leadership team is mobilized to site to continue to prepare for start-up.

Basic engineering and design of the flotation plant is ongoing. Detail design was advanced in the third quarter 2013. Construction of the flotation plant is expected to commence in the first quarter of 2014 and is expected to be completed by the end of the third quarter of 2014.

Infrastructure

Other infrastructure construction has progressed as planned. The power house is complete and fully operational, to supply standby power, plus meet 100% of mine site needs during "peak power periods". Connection to the National grid has been achieved.

As of November 14, 2013, construction of the tailings dam has been advanced to 95% completion. Demobilization of the earthworks contractor is in progress.

Included at the end of this release are photos of the construction progress.

FINANCIAL UPDATE

Results of Operations for the three months ended September 30, 2013

Net income for the three months ended September 30, 2013 was \$9.8 million (\$0.07 per Common Share) compared with a net loss of \$14.1 million (\$0.13 per Common Share) for the comparable period in 2012. The

reduction in the net loss in 2013 can be attributed, in part, to the following factors:

- In the three months ended September 30, 2013, a mark to market gain of \$14.0 million was recorded in Finance Income compared with a mark to market loss of \$5.7 million recorded in Finance Loss in the comparable period in 2012. These mark to market gains and losses are as a result of the fair value movements in the Company's Gold Linked Notes. These Notes are currently recorded at their fair value of \$39.8 million and mature on December 31, 2016 at a principal value of CAD \$86.3 million. As these Notes approach maturity, the fair value should also approach their principal value.
- Corporate administration costs for the three months ended September 30, 2013 were \$3.9 million (\$0.03 per Common Share) compared with \$5.2 million (\$0.05 per Common Share) for the comparable period in 2012. The decrease in costs in 2013 is mainly attributable to stock-based compensation expense and a reduction in information technology costs.
- In the three months ended September 30, 2013, \$0.5 million of stock-based compensation (\$0.4 million corporate administration and \$0.1 million exploration) was expensed compared with \$1.2 million of stock-based compensation (\$1.1 million corporate administration and \$0.1 million exploration) in the comparable period in 2012.
- Corporate administration costs were impacted by foreign exchange fluctuations. Corporate administration costs are denominated in C\$ and R\$ and translated to USD for financial statement presentation purposes. Currency impacts accounted for a decrease of approximately \$0.1 million in total corporate administration costs.
- Corporate administration costs for the three months ending September 30, 2013 and 2012 comprised the following:

	For the three months ended September 30, 2013 (millions)	For the three months ended September 30, 2012 (millions)
Stock-based compensation	\$ 0.5	\$ 1.2
Brazil administration expense	1.7	1.6
Head office salaries and benefits	0.8	0.7
Head office administration & IT	0.4	0.8
Directors fees, regulatory costs, investor relations	0.5	0.9
	<u>\$ 3.9</u>	<u>\$ 5.2</u>

Exploration expense for the three months ended September 30, 2013 was \$0.5 million (\$0.01 per Common Share) compared with \$0.8 million (\$0.01 per Common Share) for the three months ended September 30, 2012.

Of the \$0.5 million of exploration expense during the three months ended September 30, 2013, \$0.3 million relates to salaries (compared with \$0.4 million in 2012) and \$0.1 million relates to stock-based compensation for the Company's in-house geologists (compared with \$0.1 million in 2012) while the remaining \$0.1 million relates to drilling, assaying and other exploration related activities (compared with \$0.3 million in 2012).

Interest income for the three months ended September 30, 2013 was \$nil compared with \$0.2 million for the three months ended September 30, 2012. The decrease in interest income primarily reflects the impact of a higher cash balance in 2012 resulting from the financing completed in November 2011.

Finance income for the three months ended September 30, 2013 was \$14.4 million compared with \$0.2 million for the three months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the long-term debt.

Finance costs for the three months ended September 30, 2013 was \$0.1 million compared with \$8.3 million for the three months ended September 30, 2012. The decrease in finance costs is primarily due to the change in fair value of long-term debt and a decrease in other finance costs.

Results of Operations for the nine months ended September 30, 2013

Net income for the nine months ended September 30, 2013 was \$14.5 million (\$0.12 per Common Share) compared with a net loss of \$29.5 million (\$0.28 per Common Share) for the comparable period in 2012. The reduction in the net loss in 2013 can be attributed, in part, to the following factors:

- In the nine months ended September 30, 2013, a mark to market gain of \$29.6 million was recorded in Finance Income compared with a mark to market loss of \$0.6 million recorded in Finance Loss in the comparable period in 2012. These mark to market gains and losses are as a result of the fair value movements in the Company's Gold Linked Notes. These Notes are currently recorded at their fair value of \$39.8 million and mature on December 31, 2016 at a principal value of CAD \$86.3 million. As these Notes approach maturity, the fair value should also approach their principal value.
- Corporate administration costs for the nine months ended September 30, 2013 were \$13.6 million (\$0.11 per Common Share) compared with \$16.8 million (\$0.16 per Common Share) for the comparable period in 2012. The decrease in costs in 2013 is mainly attributable to stock-based compensation expense and Brazil administrative costs.
- In the nine months ended September 30, 2013, \$2.5 million of stock-based compensation (\$2.3 million corporate administration and \$0.2 million exploration) was expensed compared with \$5.4 million of stock-based compensation (\$4.8 million corporate administration and \$0.6 million exploration) in the comparable period in 2012.
- Finance income for the nine months ended September 30, 2013 was \$31.2 million compared with \$0.7 million for the nine months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the gold linked notes.
- Corporate administration costs were impacted by foreign exchange fluctuations. Corporate administration costs are denominated in C\$ and R\$ and translated to USD for financial statement presentation purposes. Currency impacts accounted for a decrease of approximately \$0.2 million in total corporate administration costs.
- Corporate administration costs for the nine months ending September 30, 2013 and 2012 comprised the following:

	For the nine months ended September 30, 2013 (millions)	For the nine months ended September 30, 2012 (millions)
Stock-based compensation	\$ 2.3	\$ 4.8
Brazil administration expense	5.3	5.8
Head office salaries and benefits	2.6	2.1
Head office administration & IT	1.6	2.1
Directors fees, regulatory costs, investor relations	1.8	2.0
	<u>\$ 13.6</u>	<u>\$ 16.8</u>

Exploration expense for the nine months ended September 30, 2013 was \$2.3 million (\$0.02 per Common Share) compared with \$9.2 million (\$0.09 per Common Share) for the nine months ended September 30, 2012.

Of the \$2.3 million of exploration expense during the nine months ended September 30, 2013, \$0.5 million relates to salaries (compared with \$1.8 million in 2012) and \$0.2 million relates to stock-based compensation for the Company's in-house geologists (compared with \$0.6 million in 2012) while the remaining \$1.6 million relates to drilling, assaying and other exploration related activities (compared with \$6.8 million in 2012).

Interest income for the nine months ended September 30, 2013 was \$nil compared with \$0.7 million for the nine months ended September 30, 2012. The decrease in interest income primarily reflects the impact of a higher cash balance resulting from the financing completed in November 2011.

Finance income for the nine months ended September 30, 2013 was \$31.2 million compared with \$0.7 million for the nine months ended September 30, 2012. The increase in finance income is primarily due to the change in the fair value of the long-term debt.

Finance costs for the nine months ended September 30, 2013 was \$0.6 million compared with \$4.2 million for the nine months ended September 30, 2012. The decrease in finance costs is primarily due to the decrease in other finance costs related to the precious metals streaming agreement that took place on September 19, 2012 and change in the mark-to-market values of derivative liabilities.

Liquidity and Capital Resources

Cash and cash equivalents as at September 30, 2013 totaled \$19.0 million, compared with \$63.6 million as at December 31, 2012. The change in the Company's cash and cash equivalents was attributable to the following key items:

- Project spending on the continuing development of the Serra Pelada Mine of \$90.2 million
- Exploration spending and corporate administration costs of \$14.5 million
- Proceeds from the June 2013 public financing of \$26.4 million
- Proceeds from the August 2013 public financing of \$34.3 million
- Proceeds from the exercise of stock options of \$1.0 million
- Interest paid on gold-linked notes of \$3.7 million

The Company has historically relied on financing to fund the exploration and development of the Serra Pelada Mine. The Company will need additional capital in 2013 or 2014 to fund the completion of the development and the ramp-up of production and to meet existing obligations of the Serra Pelada Mine. The Company is currently investigating this financing and alternatives to strengthen its balance sheet to have further flexibility should other unforeseen circumstances or production delays occur.

The Company's ability to raise additional funds and its future performance are largely tied to the health of the financial markets and investor interest in the gold mining industry. Financial markets are currently volatile, and are likely to remain so throughout 2013 and 2014, reflecting ongoing concerns about the stability of the global economy, sovereign debt levels, global growth prospects and many other factors that may impact the Company's ability to raise additional funds to execute on its business plans.

Although the Company has been successful in raising funds to date to fund operations and the construction of the Serra Pelada Mine, there can be no assurance that adequate or sufficient funding will be available in the future on terms acceptable to the Company. These circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the ability of the Company to continue as a going concern.

The financial information contained in this news release should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes as at and for the three and nine months ended September 30, 2013 and 2012. The Company's financial statements, as well as the accompanying management's discussion and analysis were prepared in accordance with International Financial Reporting (IFRS) and are available for review at www.colossusminerals.com or www.sedar.com and should be read in conjunction with this news release. Any reference to information including joint venture balances should be read as a non-IFRS measure used to compare our financial performance to prior periods. All figures are in U.S. dollars unless otherwise indicated.

Mr. Mel Leiderman, Mr. David Garofalo and Mr. Claudio Mancuso have resigned from the board of directors.

About Colossus:

Colossus is a development-stage mining company focused on bringing its 75% owned Serra Pelada gold-platinum-palladium Mine into production. The Serra Pelada Mine is a joint venture between Colossus and COOMIGASP located in the State of Pará, Brazil. Serra Pelada, located in the mineral prolific Carajas region in the State of Pará, is host to one of the highest grade gold and platinum group metals deposits in the world. Between 1980 and 1986 Serra Pelada was host to the largest precious metals rush in Latin

American history. Colossus Minerals Common Shares, warrants and notes trade on the Toronto Stock Exchange (TSX) under the symbols CSI, CSI.WT.A, CSI.WT.B and CSI.NT respectively and in the United States its Common Shares trade on the OTCQX under the symbol COLUF. The Company is headquartered in Toronto, Canada.

Qualified Person:

David Anthony, P. Eng., President and Chief Operating Officer of Colossus, is a "qualified person" as such term is defined in NI 43-101 and has reviewed and approved the scientific and technical information included in this press release.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

Forward-looking statements in this press release include statements regarding the timing and nature of future exploration and development programs that are dependent on projections that may change as drilling continues, or if unexpected ground conditions are encountered. The Company does not currently have any mineral properties that are in production or that contain a reserve as defined by National Instrument 43-101. In addition, areas of exploration potential are identified which will require additional drilling to determine whether or not they contain similar mineralization to areas that have been explored in more detail. Significant additional drilling is required at Serra Pelada to fully understand system size.

Except for statements of historical fact relating to Colossus, certain statements in this press release relating but not limited to the Company's exploration and development plans, activities and intentions, constitute "forward-looking information" within the meaning of the Securities Act (Ontario) or "forward-looking statements" within the meaning of the United States Private Litigation Reform Act of 1995. These forward-looking statements represent management's best judgment based on current facts and assumptions that management considers reasonable. Forward-looking statements are frequently characterized by words such as "target", "plan", "expect", "project", "intend", "believe", "anticipate" and other similar words, or statements that certain events or conditions "appear to", "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The factors include but are not limited to risks related to the Company's relationship with COOMIGASP and/or those seeking to control it, the joint venture operation, actual results of exploration activities, the inherent risks involved in the exploration and development of mineral properties, changes in project parameters as plans continue to be refined, delays in obtaining government approvals, the uncertainties of project cost overruns or unanticipated costs and expenses, uncertainties relating to the availability and costs of financing needed in the future, the uncertainties inherent to conducting business in Brazil and the rest of Latin America, the availability of equipment and supplies, unexpected adverse climate conditions, the reliance on only a few key members of management, as well as those factors discussed in the section entitled "Risk Factors" in the Company's most recent Annual Information Form filed with Canadian provincial securities regulatory authorities and other regulatory filings which are posted on SEDAR at www.sedar.com. Unless required by law, Colossus undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

To view the photo associated with this release, please visit the following link:
<http://media3.marketwire.com/docs/csi1114serrapelada.pdf>.

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