

FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: **COLT RESOURCES INC., (the "Issuer" or "Colt" or the "Company" or the "Corporation").**

Trading Symbol: **GTP**

Number of Outstanding Listed Securities: **38,921,300**

Date: **August 31, 2010.**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

The Corporation is involved in the mineral exploration business.

The Corporation is a reporting issuer in the Provinces of Alberta, British Columbia and Ontario. On May 21, 2009, the Company's common shares were listed for trading on the Open Market Segment of the Frankfurt Stock Exchange under the trading symbol "P01"

2. Provide a general overview and discussion of the activities of management.

Although management is actively engaged in the review and due diligence of current and new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken cost cutting measures, there can be no assurance that management's plan will be successful.

(a) On August 10, 2010, the Company was very pleased to announce that it has executed an agreement with privately owned Australian Iron Ore PLC whereby Colt will become the operator of and acquire, in two stages, 100% ownership of the Montemor gold project located in southern Portugal. The transaction is subject to the approval of the Direcção-Geral de Energia e Geologia (DGEG), a division of the Portuguese Ministry of Economy and Innovation.

Transaction Summary

On January 28, 2009, Iberian Resources Portugal Recursos Minerais Unipessoal Lda (Iberian Resources Portugal), a Portuguese subsidiary of Australian Iron Ore PLC (AIOC), submitted to the DGEG a request for an Experimental Mining License covering the Montemor gold project.

The agreement between Colt and AIOC states that upon DGEG approval, Colt will pay AIOC €60,000 and become 51% owner and operator of the project. Upon award of the Experimental Mining License to the Colt-AIOC joint venture by the DGEG, Colt will pay AIOC €125,000, issue to AIOC 3,000,000 common shares of Colt, and Colt will become 100% owner of the Montemor gold project. The common shares of Colt to be issued will be escrowed with gradual release of 500,000 shares every four (4) months over a twenty-four (24) month period from the date of granting of the Experimental Mining License.

Subject to approval of the DGEG, Colt will become operator of the Montemor gold project and immediately undertake the responsibility of finalizing and submitting documentation required to obtain an Experimental Mining License for the Montemor gold project area and prepare a NI 43-101 compliant resource estimate.

The President and CEO of Colt, Nikolas Perrault, commented, "We are very excited about this agreement. This will immediately give us a development stage gold project in addition to our existing exploration stage properties in Portugal. We are looking forward to making the Montemor gold project the first gold mine to open in Portugal in nearly 60 years."

About the Montemor Gold Project

The Montemor gold project is an advanced stage exploration project located some 100 km east of Lisbon, near the town of Santiago do Escoural, in the Alentejo region of southern Portugal. Access to the project is excellent; there are no weather impediments to operating a mine year round; and, the area has abundant power, being close to the Portuguese national grid.

Gold occurs in a series of deposits located along the Boa Fé shear zone: a major shear zone formed within a strongly folded Proterozoic volcano-sedimentary sequence of the Ossa Moreno tectonic zone. Some forty (40) gold prospects and deposits have been identified in the greater region of Montemor and surrounding areas. Individual deposits defined within the Montemor area include Banhos, Casas Novas, Chaminé, Ligiero, Caras, Covas, Braços, Braços South and Tabuleiros. The principal deposits of economic interest are Casas Novas, Chaminé and Braços.

Gold mineralization occurs disseminated in biotite schists and in quartz veins. It is associated with arsenopyrite mineralization and zones of silicified biotite schist with adjacent local quartz veining. Gold mineralization occurs in proximity to breccias zones, fault intersections and shear zones. Within individual deposits, gold mineralization is largely near-surface and considered to be amenable to open pit mining or shallow underground.

In the general Montemor area, gold exploration has been carried out and concessions held by various operators including BP Minerals (1984 – 1986), Sociedade Minera Rio Aretezia Lda (Riofinex – Rio Tinto group) (1984 - 1992), and Portuglobal Explorações Mineiras - Auspex Limited (1995 – 1999). In 1996 Portuglobal farmed out its project in a joint-venture with Montemor Resources Inc. In 1999, Portuglobal relinquished the exploration concession over the Montemor gold deposits.

On September 29, 2004, Iberian Resources Portugal Recursos Minerais Unipessoal Lda (Iberian Resources Portugal), at the time a 100% owned Portuguese subsidiary of Iberian Resources Limited (ASX:IBR de-listed), signed an exploration contract with the government of Portugal covering much of the area formerly held by Portuglobal. On May 10, 2007 Tamaya Resources Limited (ASX:TMR) acquired a 86.5% interest in Iberian Resources Limited. On October 28, 2008, due to the unprecedented collapse of copper prices, Tamaya Resources Limited was put under Voluntary Administration. On January 2, 2009, Iberian Resources Portugal was sold to Australian Iron Ore PLC.

The Montemor gold project is at an advanced development stage. Previous operators have undertaken extensive work including some 510 trenches and 1157 drill holes: 308 diamond drill holes, 176 reverse circulation holes (RC), 20 rapid air blast holes (RAB), and 653 open hole percussion holes. Other work carried out includes metallurgical testing by Riofinex (1991) and Iberian Resources Limited (2006), and environmental base line studies by Riofinex (1991). Resource estimates were undertaken by or on behalf of Riofinex (1991), Iberian Resources Limited (2004, 2005), and Tamaya Resources Limited (2007, 2008).

During 2007, in preparation for an application for an Experimental Mining Licence, Tamaya Resources Limited commissioned Stage 1 of the Montemor feasibility study including metallurgical testing, commencement of baseline work an environment impact assessment, resource modelling, mine planning and appointment of a contractor to manage the tailings dam site selection and design work (Tamaya Resources Limited 2007 Annual Report; press release dated November 15, 2007).

(b) On August 20, 2010, the Company was pleased to announce that it has received all the required subscription agreements for its third closing with gross proceeds totaling another \$1,225,000 for 4,900,000 Units in relation to the private placement the Company announced on February 9, 2010, which brings the cumulative total to \$3,395,000 in gross proceeds raised.

The Company is now working on its final closing which is anticipated by the end of August 2010. This current funding will not be extended beyond August 31st as the Company will be reassessing its long term financing strategy once currently ongoing additional stock exchange listing initiatives are finalized.

(c) On August 30, 2010, the Company was pleased to announce that it is now trading on the OTC market's highest tier, OTCQX which is the financial information and technology services company that has the leading electronic quotation and trading system in the U.S.

"OTCQX provides services to companies which enable them to communicate with and engage their investors, while providing them with transparent trading and easy access to company information," said R. Cromwell Coulson, President and CEO of Pink OTC Markets. "We are pleased to welcome Colt Resources to OTCQX."

Colt Resources began trading today on the OTC market's prestigious tier, OTCQX International. Investors can find current financial disclosure and Real-Time Level 2 quotes for the company on www.otcqx.com and www.otcmartets.com.

"Colt is very excited to be trading on OTCQX," says Nikolas Perrault, Chairman and CEO of Colt Resources. "This very important milestone gives us the opportunity to broaden our shareholder base. We plan to significantly step up our marketing efforts in the U.S. which remains to this day the largest capital market in the world."

Hodgson Russ LLP will serve as Colt Resources' Principal American Liaison ("PAL") on OTCQX, responsible for providing guidance on OTCQX requirements.
About OTCQX

The OTCQX marketplace is the premier tier of the U.S. OTC market. Investor-focused companies use the quality-controlled OTCQX platform to offer investors transparent trading, superior information, and easy access through their regulated U.S. broker-dealers. The innovative OTCQX platform offers companies and their shareholders a level of marketplace services formerly available only on a U.S. stock exchange.

For more information and to view a full list of OTCQX companies, visit www.otcqx.com.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or

production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

None.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None.

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

None.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None.

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

None.

8. Describe the acquisition of new customers or loss of customers.

Not applicable.

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None.

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal

parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

The Company closed a Private Placement on June 29, 2007 and issued Convertible Debentures to various investors for the total amount of \$1,465,000.

As of June 30th, 2010, the Company had an aggregate of \$1,240,000 of the Debentures (held by 15 Debenture Holders) converted into 5,391,291 Units in the securities of the Company. As a result of which, only an aggregate of \$225,000 Debentures (held by 3 Debenture Holders) were repaid at maturity in Common Shares. In addition, during the month of June 2010, all purchase warrants associated with the converted Debentures and expiring on June 29, 2010 were extended until June 29, 2011.

14. Provide details of any securities issued and options or warrants granted.

	Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾

(1) *State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

Certain trends that may impact the Issuer are:

- i. Exploration of mineral prospects involves a high degree of risk which even experience, knowledge and careful evaluation may not be able to avoid. Furthermore, exploration and development of mineral prospects require substantial capital;**
- ii. Governmental regulations, including those regulations governing the protection of the environment, taxes, labour standards, occupational health, waste disposal, mine safety and other matters, could have an adverse impact on the Issuer; and**
- iii. Due to the current worldwide adverse market conditions, commodity prices have declined significantly. Should market conditions not improve or should market**

conditions continue to deteriorate, then commodity prices shall most likely decline further or remain stagnant. As a result, companies such as Colt may experience difficulties in raising funds.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: September 2, 2010

Nikolas Perrault
Name of Director or Senior
Officer

Signed: "Nikolas Perrault"
Signature

President, CEO & Director
Official Capacity

Issuer Details Name of Issuer Colt Resources Inc.	For Month End August 2010	Date of Report YY/MM/D 2010/09/02
Issuer Address 1550 Metcalfe, Suite 502		
City/Province/Postal Code Montréal, Québec, H3A 1X6	Issuer Fax No. (514) 394-0888	Issuer Telephone No. (514) 394-0009
Contact Name Nikolas Perrault	Contact Position President & CEO	Contact Telephone No. (514) 501-2985 or (514) 394-0009
Contact Email Address info@coltresources.com	Web Site Address www.coltresources.com	

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