



Mercenary Alert: Yet Another Gold Newco

A Special Alert Musing from Mickey the Mercenary Geologist

For Subscribers Only

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They seem to be sprouting as if it is springtime.

I refer of course to new gold companies with flagships projects in the Western United States. At least four newly-minted, TSXV-listed, US explorers of merit are now trading or soon will begin. I know because my hard-earned dollars have gone into these newcos.

Today, I report on yet another gold company that is coming soon. The company is [Allegiant Gold Ltd](#) and it will trade under the symbol **AUAU.V**.

Allegiant Gold is a spin-out from [Columbus Gold Corp \(CGT.T; CGT.OTCQX\)](#), a well-established junior explorer and developer. Columbus Gold's flagship asset is its 45% ownership of the Montagne d'Or project in French Guiana, which has proven and probable reserves of 2.75 million ounces of gold. Its partner in this venture is Nordgold, a private gold mining company 90% owned by a Russian oligarch with operations in Russia, Kazakhstan, Guinea, and Burkina Faso.

In my opinion, Montagne d'Or is a mine in the making and one large gold company or another is likely to take out Columbus Gold's position sooner than later.

In the meantime, CGT is divesting its gold exploration assets in the Western United States, which are now getting little value in the marketplace. It is essentially giving current shareholders a tax-free dividend in a 1:5 spin-out.

The new entity, Allegiant Gold Ltd, will own 14 drill-ready projects in the Western United States. Eleven are located in the State of Nevada, the 4th largest gold producer in the world. These projects have been accumulated by Cordex Exploration, a private company that has exclusively prospected, acquired, and explored on behalf of Columbus Gold for the past 10 years.

Cordex is led by Andy Wallace. His team of experienced exploration geologists has an unparalleled track record of gold discovery in Nevada that spans more than four decades. Andy is also the CEO of Allegiant.



AUAU plans to drill ten projects in the next 12 months, including its flagships, Eastside and Bolo.

Eastside hosts a pit-constrained inferred resource of 35.8 million tonnes grading 0.63 g/t Au-eq for 721,000 contained ounces. It remains open to the south, west, and at depth and possibly to the north and east. There is a drill turning on that property now.

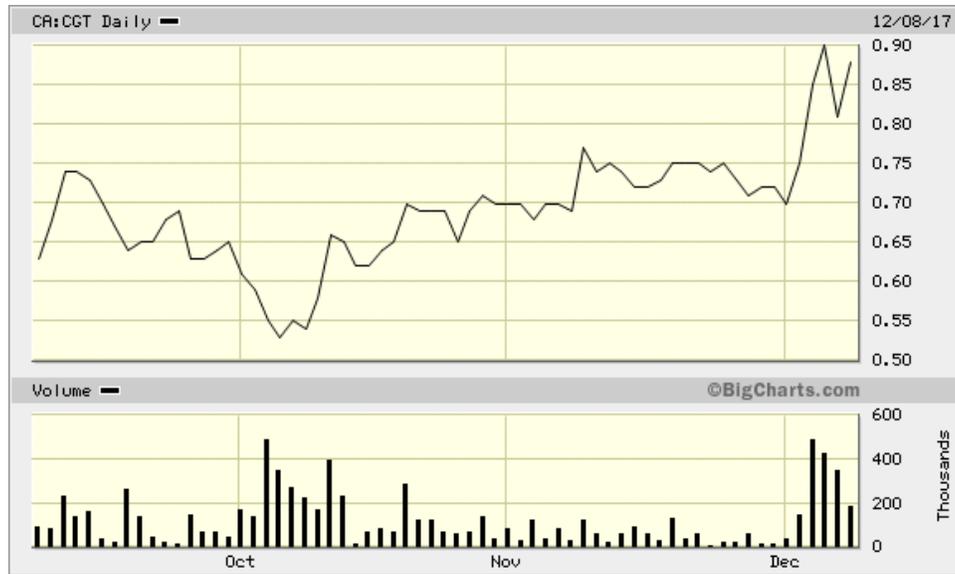
At the Bolo project, a 14-hole reverse circulation drill program totaling 2800 meters was recently completed. Drill samples were secured in sealed containers and recently shipped to the assay lab. Results will be announced after the spin-out is completed.

I recently toured the two Nevada projects mentioned above.

Speculators can secure a piece of Allegiant Gold Ltd before it begins trading by becoming a shareholder of Columbus Gold by the record date, which will be announced soon.

Two other newsletter writers wrote promotional reports on the pending spin-out earlier this week. The price of Columbus Gold soared 33% to a seven-month high of 92 cents before closing at 87 cents today. Volumes remain abnormally high.

Here's the three-month chart:



Please note that insiders of Columbus Gold exercised options this week in order to participate in the spin-out and also to increase their positions in the parent company.

Under Canada Revenue regulations, these principals have incurred significant tax burdens that must be remitted before December 25 to avoid stiff penalties. The net result is a significant increase in insider holdings of both companies, but there has been and will be some selling by company insiders to cover mandatory withholding.

If CGT retreats to its previous trading range prior to the record date, I suggest it may merit your attention.

In anticipation of this dividend, I picked up shares in Columbus when a fund sold off its holdings a couple of months ago. I participated in the Allegiant Gold private placement at 60 cents that was also made available to my accredited subscribers who expressed interest. In addition, Allegiant will be a sponsor of this website when trading commences.

So my opinions are strongly influenced by financial involvement with both companies.

I will post another Mercenary Alert to subscribers immediately before Allegiant Gold Ltd's first trading day, now anticipated in early 2018.

Before speculating in any junior resource company, you must perform thorough research to determine its various risks and potential rewards.

Ciao for now,

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The [Mercenary Geologist Michael S. “Mickey” Fulp](#) is a Certified Professional Geologist with a B.Sc. Earth Sciences with honor from the University of Tulsa, and M.Sc. Geology from the University of New Mexico. Mickey has 35 years experience as an exploration geologist and analyst searching for economic deposits of base and precious metals, industrial minerals, uranium, coal, oil and gas, and water in North and South America, Europe, and Asia.

Mickey worked for junior explorers, major mining companies, private companies, and investors as a consulting economic geologist for over 20 years, specializing in geological mapping, property evaluation, and business development. In addition to Mickey’s professional credentials and experience, he is high-altitude proficient, and is bilingual in English and Spanish. From 2003 to 2006, he made four outcrop ore discoveries in Peru, Nevada, Chile, and British Columbia.

Mickey is well-known and highly respected throughout the mining and exploration community due to his ongoing work as an analyst, writer, and speaker.

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