

THE PROSPECTOR

Investment and Exploration News

Columbus in America - Circa 2006



Norman
Duncan
Canaccord Capital Corp

Once again, the markets have been exciting since the last issue of *The Prospector*. Base and precious metals prices have been volatile, to say the least. This has caused great swings in the mining stocks, which have provided trading opportunities for the brave and extreme discomfort for the longer-term investor. Of particular concern have been the geopolitical issues in South America. Populist governments in Venezuela, Bolivia and Ecuador are confiscating (read: nationalizing) corporate assets in the name of the people. This type of activity scares off money faster than anything and has caused great consternation to those who have invested a great deal of time, effort and cash in the offending countries. It is hard enough to invest in a mining company based on the inherent risks of the business, but add political uncertainty and you create a poisonous situation for investors. I would advise you to exercise extreme caution if you are considering investing in any country or region where politics could affect the outcome of a mining venture. Personally, I avoid such places like the plague. Having said my piece, I have decided to look at a company with assets in the United States called **Columbus Gold** (CGT:TSX-V).

This Vancouver-based junior, which has just been listed on the TSX-V, has 15 projects in Nevada and Arizona. In Nevada the company has five projects in the Battle Mountain trend, three of which are in the Cortez area adjacent to the over 25 million ounce Gold Acres-Pipeline mine complex. Another interesting holding is the Golden

Mile property, located in the Walker Lane Gold trend in southwest Nevada. The property's target is a skarn-hosted gold deposit that produced a drill intercept in the 1980s of 16.39 g/t gold along 29 m and included a 47 g/ton gold over 9.1 m. The company plans extensive exploration work in Nevada to further evaluate its properties.

Columbus also has four projects in southwestern Arizona. These are primarily focused on silver with an identified resource of 10 million ounce silver on one of the projects. The projects range from previously mined areas to relatively unexplored claims with further work planned in the near term. One, the Four Metals property, is a copper target with near term, small-scale development potential.

There is actually very little more to say about the company's exploration plans. They have a wealth of projects to work on and it's too early to know which ones will become the focus of attention. I would expect to see some focus on the Cortez area given that it is undergoing extensive exploration by other companies. I would also expect to see further announcements regarding new projects in the near term. This is typical for newly listed companies and the exploration team for Columbus has a wealth of experience.

The company's shares started trading on May 24, 2006, issuing about 5.88 million units in the IPO at \$0.85/unit. The warrants are exercisable at a price of \$1.25 for 18 months. There are a total of 19.94 million shares outstanding with 28.15 million shares on a fully diluted basis. The shares are currently trading in the \$1.10 range with a considerable amount of volatility (like the rest of the market). The company's management is experienced and they are in partnership with John Livermore and Andy

Wallace of **Cordex Exploration** to conduct the exploration programs and generate acquisitions. These two individuals have extensive experience and success in the Nevada mining industry and are responsible for several discoveries in the area.

I find this company interesting for several reasons. The company is a new play with an experienced group of backers. I like the areas where the company has properties, particularly the Cortez plays. I also like the exploration team that Columbus is using. They are extremely experienced and have a track record of success. Additionally, I expect to see new projects announced by the company in coming months. Finally, the company is not exploring in a politically dangerous environment. Recent events have shown the dangers inherent in some parts of the world. Those of you looking for a speculative play on gold and silver should take a look at Columbus gold but, as always, *caveat emptor*.

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