



**Allegiant Gold Ltd.  
1090 Hamilton Street  
Vancouver, B.C.  
V6B 2R9  
Canada**

**Management's Discussion and Analysis  
(Unaudited)**

**For the Three Months Ended  
December 31, 2017**

**(Stated in Thousands of Canadian Dollars)**

**Dated February 16, 2018**

# Allegiant Gold Ltd.

Management's Discussion and Analysis  
For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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## **Allegiant Gold Ltd.**

### **Management's Discussion and Analysis For the Three Months Ended December 31, 2017**

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The following Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Allegiant Gold Ltd. (the "Company" or "Allegiant") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited financial statements and related notes for the year ended September 30, 2017 and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended December 31, 2017, both of which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Unless otherwise noted, all currency amounts are in thousands of Canadian dollars. "This quarter" or "current quarter" means the three month period ended December 31, 2017. This MD&A is dated February 16, 2018.

#### Forward looking information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

#### **Profile and strategy**

Allegiant, was incorporated on September 26, 2017 under the laws of the Province of British Columbia, Canada. The Company was a wholly-owned subsidiary of Columbus Gold Corp. ("Columbus Gold"), a Toronto Stock Exchange listed company, until January 25, 2018, when it was spun-out of Columbus Gold by way of a plan of arrangement (the "Arrangement") as a separate entity. The Company obtained its initial listing on the TSX Venture Exchange ("TSXV") on January 30, 2018.

On October 1, 2017, the Company acquired Allegiant Gold Holding Ltd. ("AGHL") from Columbus Gold, which indirectly held all of Columbus Gold's exploration and evaluation assets.

The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company's principal business activities are the acquisition, exploration and development of resource properties, with gold as a principal focus. The Company is in the process of exploring and developing its resource properties but has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company maintains active generative (prospecting) and evaluation programs and, as a key element of its strategy, broadens exposure, diversifies funding sources and minimizes risk through joint ventures on selected projects.

The Company's financial condition is affected by general market conditions and conditions specific to the mining industry. These conditions include, but are not limited to, the price of gold and accessibility of debt or equity financing.

#### **Spin-out of Allegiant Gold Ltd.**

On September 27, 2017, Columbus Gold announced the signing of an arrangement agreement (the "Arrangement") providing for the spin-out of its subsidiary, Allegiant, with the intent of listing Allegiant on the TSXV. The Arrangement was subject to certain conditions, all of which have since been met and Allegiant was formally spun-out of Columbus Gold on January 25, 2018.

On December 8, 2017, the Company closed brokered and non-brokered private placements of subscription receipts (the "Subscription Receipts") for combined gross proceeds of \$4,196. Under the terms of the Subscription Receipts, the net proceeds of \$4,086 were held in escrow pending satisfaction of the conditions to closing of the Arrangement. Financing costs of \$149 were deferred until all conditions to closing of the Arrangement have been completed.

Each Subscription Receipt entitles the holder to receive, upon closing of the Arrangement, one common share of Allegiant and one common share purchase warrant ("Allegiant Warrant"), exercisable for a period of 24 months from release from escrow to acquire one Allegiant common share at a price of \$1.00 per share. The expiry of the Allegiant Warrants may be accelerated by the Company, at any time in the event that the volume-weighted average closing price of the Allegiant common shares on the TSXV, or such other exchange on which the Allegiant common shares may primarily trade from time to time, is greater than or equal to \$1.20 for a period of 20 consecutive trading days, by giving notice to the holders thereof, and in such case, the Allegiant Warrants will expire on the earlier of: (i) the 30th day after the date on which such notice is given by Allegiant, and (ii) the actual expiry date of the Allegiant Warrants.

## Allegiant Gold Ltd.

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On January 29, 2018, 6,994,114 Subscription Receipts were converted to 6,994,114 common shares of the Company and 6,994,114 Allegiant Warrants.

On January 29, 2018, restricted cash of \$4,086 was released from escrow, and net of certain financing costs, cash of \$3,916 was released to the Company.

On January 29, 2018, 273,490 finders' warrants were issued with an exercise price of \$0.60, expiring on January 29, 2020.

On January 30, 2018, 4,665,000 share options were granted to certain directors, officers, employees and consultants of the Company with an exercise price of \$0.60, and expiring on January 30, 2023. 200,000 share options vest on July 1, 2018, 200,000 share options vest on December 1, 2018, and the balance of 4,265,000 share options vest immediately.

#### Overall performance and updates

The following highlights the Company's overall performance for the three months ended December 31, 2017:

|                                    | <b>Three months ended,<br/>December 31, 2017</b> |
|------------------------------------|--|
|                                    | <b>(\$)</b>                                      |
| Net loss                           | (518)  |
| Cash used in operating activities  | (647)  |
| Cash at end of period              | 175  |
| Loss per share – basic and diluted | (10,159)   |

On December 21, 2017, the Company announced the appointments of Russell Ball and Norm Pitcher as independent directors.

Mr. Ball served as the Chief Financial Officer of both Goldcorp Inc. and Newmont Mining Corporation, two of the world's largest gold producers. Mr. Ball joined Goldcorp in 2013 as Executive Vice President of Projects and Capital Management and in 2014 he was appointed Executive Vice President of Corporate Development and Capital Projects. From March 2016 to October 2017, Mr. Ball served as Chief Financial Officer and Executive Vice President of Corporate Development. Prior to Goldcorp, Mr. Ball served as Executive Vice President and Chief Financial Officer for Newmont Mining Corporation. Over his nineteen years with Newmont, Mr. Ball worked in audit, finance, treasury and investor relations before joining the executive team as Chief Financial Officer. Prior to Newmont, Mr. Ball was a manager in the finance and audit groups with PricewaterhouseCoopers in Durban, South Africa. He qualified as both a Chartered Accountant from the Institute of Chartered Accountants of South Africa and a Certified Public Accountant in Colorado.

From 2012 to 2015, Mr. Pitcher served as the President of Eldorado Gold Corporation, a Canadian mid-tier gold producer. Prior to this, he served as Eldorado's Chief Operating Officer. During his 30-year career, Mr. Pitcher has also worked with Pan American Silver, H.A. Simons, Ivanhoe Gold and Pioneer Metals. He has extensive international expertise in exploration, evaluation and mining of open-pit and underground mineral deposits. Mr. Pitcher is a Professional Geologist and is a graduate of the University of Arizona with a Bachelor of Science in Geology.

On January 18, 2018, the Company announced the appointment of Warren Beil as Vice President, Legal and Corporate Secretary. Mr. Beil is a practicing corporate and securities lawyer skilled in advising companies operating in the mining and natural resource sectors. Mr. Beil's expertise includes securities law, regulatory and stock exchange compliance, capital markets transactions, including mergers and acquisitions, public offerings, asset purchases, options and joint ventures and stock exchange listings. Prior to joining Columbus, Mr. Beil practiced in the Financial Services practice group of Gowling WLG (Canada) LLP a national law firm and acted on behalf of institutional lenders and borrowers providing advice regarding banking, corporate lending, project finance, including secured and unsecured transactions. Mr. Beil began his career with the Capital Markets practice group of Blake, Cassels & Graydon LLP, a preeminent national law firm where he advised both public and private companies, as well as investment dealers on a broad range of matters including mergers and acquisitions, corporate finance, restructurings and other transactions, including general corporate matters, securities law compliance and stock exchange requirements. After leaving private practice, Mr. Beil served as the General Counsel to a private venture capital company focused on the mining and natural resource sectors.

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**Discussion of operations**Exploration and evaluation assets

A summary of exploration and evaluation assets by property for the three months ended December 31, 2017 is set out below:

| <b>Property</b>   | <b>On Acquisition<br/>of AGHL<br/>(\$)</b> | <b>Additions<br/>(\$)</b> | <b>Foreign<br/>exchange<br/>(\$)</b> | <b>Balance at<br/>December 31, 2017<br/>(\$)</b> |
|-------------------|--|---------------------------|--------------------------------------|--|
| Big Lime          | 1  | 0                         | 0                                    | 1  |
| Bolo              | 3,969                                      | 67                        | 26                                   | 4,062  |
| Clanton Hills     | 33   | 14                        | 0                                    | 47   |
| Eastside          | 14,078                                     | 211                       | 95                                   | 14,384   |
| Four Metals       | 14   | 0                         | 0                                    | 14   |
| Hugh's Canyon     | 43   | 6                         | 0                                    | 49   |
| Mogollon          | 195  | -                         | 1                                    | 196  |
| Monitor Hills     | 62   | 1                         | 0                                    | 63   |
| North Brown       | 14   | 11                        | (0)                                  | 25   |
| Overland Pass     | 40   | 3                         | 0                                    | 43   |
| Red Hills         | 25   | 31                        | (0)                                  | 56   |
| Silver Dome       | 18   | 0                         | 0                                    | 18   |
| West Goldfield    | 151  | 2                         | 1                                    | 154  |
| White Canyon      | 0  | -                         | -                                    | 0  |
| White Horse Flats | 12   | 38                        | (0)                                  | 50   |
| White Horse North | 21   | 23                        | (0)                                  | 44   |
|                   | <b>18,676</b>                              | <b>407</b>                | <b>123</b>                           | <b>19,206</b>                                    |

A summary of the exploration and evaluation assets by cost category is set out below:

|                                     | <b>(\$)</b>   |
|-------------------------------------|---------------|
| On acquisition of AGHL              | 18,676        |
| Drilling                            | 32            |
| Geology, trenching and geophysics   | 70            |
| Management and administration       | 262           |
| Technical studies                   | 14            |
| Travel                              | 29            |
| Foreign exchange                    | 123           |
| <b>Balance at December 31, 2017</b> | <b>19,206</b> |

Bolo

The Bolo project is located 60 km northeast of Tonopah, Nevada. Subject to underlying royalties, Allegiant controls a 100% interest in the Bolo project.

During the summer of 2017, an undrilled area at Bolo was targeted with a 14-hole reverse-circulation, reconnaissance drilling program totaling 2,806 metres. Eleven holes tested the newly acquired Uncle Sam patented claim that covers a 500 metre strike extension of the south zone of the Mine Fault, including hole BL-38 which returned 133 metres of 1.28 g/t gold from the surface (including 30.5 metres of 3.24 g/t gold), hole BL-39 which returned 89.9 metres of 1.0 g/t gold from surface (including 40.9 metres of 2.05 g/t gold), and hole BL-41 which returned 51.8 metres of 1.27 g/t gold from surface. Drilling on Uncle Sam in 2017 returned 19.8 metres of 0.97 g/t gold (hole BL-55), 33.5 metres of 0.96 g/t gold from surface (hole BL-61), and 57.9 metres of 41.13 g/t silver from the surface (including 7.6 metres of 220 g/t silver) (hole BL-54).

In addition to drilling on Uncle Sam, three holes of the 2017 campaign were drilled to test extensions of the Mine Fault to the west and north. Hole BL-65 was drilled approximately 200 metres north of BL-61 and returned 16.8 metres of 0.66 g/t gold. A table of all

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previous drilling results at Bolo, including significant historical results, 2007 to 2013 drill results, and Allegiant's 2017 results (holes BL-54 to BL-67) can be found on the Company's website.

Allegiant is planning additional reconnaissance drilling at Bolo in the summer of 2018.

#### Clanton Hills

The Clanton Hills project is 100% owned by Allegiant and is located 112 km west of Phoenix, Arizona.

Allegiant plans to drill up to 12 rotary drill holes, totaling up to 2,200 metres, at Clanton Hills in the winter of 2018.

#### Eastside

The Eastside project is located approximately 32 km west of Tonopah, Nevada. Subject to underlying royalties, Allegiant controls a 100% interest in Eastside.

Drilling at Eastside, consisting of up to 38 core and rotary drill holes and approximately 20,000 metres of drilling, is in progress and will continue into the third quarter of 2018.

On December 5, 2016, Columbus Gold announced an initial NI 43-101 pit constrained inferred resource estimate at Eastside consisting of 35,780,000 tonnes grading 0.63g gold equivalent per tonne, for a total of 721,000 ounces of gold equivalent (using a cut-off grade of 0.15g gold per tonne and a gold/silver ratio of 60:1).

#### Hughes Canyon

Subject to underlying royalties, the Hughes Canyon project is 100% owned by Allegiant and is located approximately 48 km east-southeast of Lovelock, Nevada.

Allegiant plans to drill up to 12 rotary drill holes, totaling up to 2,600 metres, at Hughes Canyon in the late spring of 2018.

#### Mogollon

The Company is party to an option agreement dated December 22, 2015, with a third party (the "Mogollon Optionee"), granting the Mogollon Optionee an option to acquire a 100% interest in the Company's Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the Mogollon Optionee to pay AGHL's subsidiary an aggregate of \$1,298 (US\$1,000,000) in staged annual payments over a four-year period. As at December 31, 2017, the Mogollon Optionee made two option payments totaling \$334 (US\$250,000).

On February 2, 2018, the Company received \$12,334 (US\$10,000) from the Mogollon Optionee, in exchange for extending the deadline for a \$247 (US\$200,000) payment the Mogollon Optionee needs to make to the Company, to February 28, 2018.

#### Monitor Hills

The Monitor Hills project is owned 100% by Allegiant and is located approximately 35 km east-southeast of Tonopah, Nevada.

Allegiant is targeting Carlin-type gold mineralization at Monitor Hills and plans to drill up to 10 rotary drill holes, totaling up to 2,100 metres.

#### North Brown

The North Brown project is 100% owned by Allegiant and is located approximately 19 km southwest of Eureka, Nevada.

North Brown is permitted for drilling and Allegiant plans to drill up to 8 rotary holes, totaling up to 1,700 metres.

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### Red Hills

The Red Hills project is 100% owned by Allegiant and is located 56 km northeast of Ely, Nevada.

Allegiant plans to drill up to 8 rotary holes, totaling up to 2,200 metres, at Red Hills.

### West Goldfield

The West Goldfield project is 100% owned by Allegiant and is located 8 km west of Goldfield, Nevada.

Allegiant plans to drill up to 10 rotary drill holes, totaling up to 2,750 metres, at West Goldfield.

### White Horse Flats

The White Horse Flats project is 100% owned by Allegiant and is located approximately 43 km south of Wendover, Nevada.

The mineralization at Whitehorse Flats is Carlin-type and Allegiant plans to drill up to 4 rotary holes, totaling up to 1,200 metres.

### White Horse North

The White Horse North project is 100% owned by Allegiant and is located approximately 74 km south of Wendover, Nevada.

Allegiant plans to drill up to 6 rotary drill holes, totaling up to 1,500 metres, at White Horse North.

### Allegiant Qualified Person – U.S. properties disclosure only

*Andy B. Wallace is a Certified Professional Geologist (CPG) with the American Institute of Professional Geologists and is the Qualified Person under National Instrument 43-101 and has reviewed and approved the technical content relating to the properties located in the USA discussed herein. Mr. Wallace is the CEO of Allegiant and a principal of Cordilleran Exploration Company, LLC ("Cordex"), which is conducting exploration and project generation activities for Allegiant on an exclusive basis.*

### **Summary of quarterly information**

|   | <b>Q1<br/>2018</b> | <b>Q4<br/>2017</b> |
|---|--------------------|--------------------|
|   | <b>(\$)</b>        | <b>(\$)</b>        |
| Net loss for the period <sup>1</sup>          | (518)              | -                  |
| Basic and diluted loss per share <sup>1</sup> | (10,159)           | -                  |

<sup>1</sup> Quarterly financial information for the last eight quarters have not been presented as the Company was incorporated on September 26, 2017.

|  | <b>Dec 31,<br/>2017</b> | <b>Sep 30,<br/>2017</b> |
|--|-------------------------|-------------------------|
|  | <b>(\$)</b>             | <b>(\$)</b>             |
| Cash <sup>1</sup>                                    | 175                     | 0                       |
| Total assets <sup>1</sup>                            | 24,192                  | 0                       |
| Total non-current financial liabilities <sup>1</sup> | 1,444                   | -                       |

<sup>1</sup> Quarterly financial information for the last eight quarters have not been presented as the Company was incorporated on September 26, 2017.

### Review of financial results – current quarter

During the three months ended December 31, 2017, the Company incurred a net loss of \$518. As the Company was incorporated on September 26, 2017, there are no comparative figures available for analysis, and as such, the review of financial results will focus on expenditures for the current quarter.

Administration and office expenses of \$24 this quarter is mainly comprised of recruiting fees and insurance.

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General exploration expenses of \$57 during the three months ended December 31, 2017 represent exploration activities in Nevada which are not attributable to a specific exploration and evaluation asset of the Company.

The Company incurred \$149 in investor relations expenses as a result of the Arrangement and to support brokered and non-brokered private placements of common shares of the Company.

Professional fees of \$139 and transfer agent and filing fees of \$99 this quarter are generally costs associated with the Arrangement and the listing of the Company on the TSXV.

The Company recorded accretion expense of \$54 in connection with amounts Due to Columbus Gold (see *Related Party Transactions*).

#### **Liquidity and capital resources**

The Company does not currently own or have an interest in any producing resource properties and does not derive any revenues from operations. The Company's activities have been funded primarily through private placements of the Company's common shares, and debt from Columbus Gold. The Company has been successful in its fundraising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for commodities and also a function of the demand for gold, both of which are subject to macroeconomic conditions and market fluctuations.

At December 31, 2017, the Company had cash of \$175 and a working capital deficiency of \$338, compared to cash and working capital of \$0 at September 30, 2017.

During the three months ended December 31, 2017, the Company used cash of \$647 in operating activities. Cash used in operations consists of cash used to fund the loss for the period, adjusted for the impact of non-cash items and changes in non-cash working capital.

During this quarter, the Company invested \$407 in its exploration and evaluation assets and placed bonds in Nevada totalling \$52. The Company also received \$130 from the acquisition of AGHL.

The Company completed brokered and non-brokered private placements of Subscription Receipts this quarter for aggregate gross proceeds of \$4,196, of which, after deducting certain transaction costs, \$4,086 was transferred to an escrow account, to be released upon satisfaction of certain conditions. During this quarter, the Company also received advances from Columbus Gold totalling \$1,037.

At December 31, 2017, the Company had current liabilities of \$4,822 and non-current liabilities of \$1,444. With the closing of the Arrangement, as at the date of this MD&A, the Company has sufficient cash and access to capital to meet working capital requirements and obligations as they become due.

#### **Off-balance sheet arrangements**

The Company has no off-balance sheet arrangements.

#### **Commitments and related party transactions**

Columbus Gold, a company with certain directors and officers in common, provides the Company with administration and management services on a shared cost basis under a corporate services agreement (the "CSA"). The CSA is effective until December 31, 2018 and may be terminated by either party with three months' notice.

As at December 31, 2017, the Company has \$2,119 (September 30, 2017 - \$nil) due to Columbus Gold, of which \$515 was due upon closing of the Arrangement, and \$1,604 (the "Grid Note") is due on the later of March 1, 2019 or when the Company has completed one or more equity financings with collective proceeds of a minimum of \$4,000 subsequent to the date on which the Company lists on the TSXV.

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As the Grid Note is a non-current liability, the Company has discounted the Grid Note with a 20% annual discount rate, resulting in a discount of \$214 allocated to the reserves account. A continuity table of the Grid Note is as follows:

|                                   | (\$)         |
|-----------------------------------|--------------|
| Principal balance                 | 1,604        |
| Fair value discount               | (214)        |
| Accretion for the period          | 54           |
| <b>Balance, December 31, 2017</b> | <b>1,444</b> |

The amounts due to Columbus Gold represent advances to fund the Company from July 1, 2017 to December 31, 2017, and are unsecured and interest free.

The Company has engaged the services of Cordex to generate, evaluate, and explore mineral properties on behalf of the Company, primarily in Nevada. The current agreement is in effect to December 31, 2018. Monthly payments consist of a management fee of \$32 (US\$25,167) and a specified net smelter return ("NSR") royalty for Cordex on existing and new properties. The principal of Cordex is an officer of the Company.

The following is a summary of related party transactions:

|   | <b>Three months ended,<br/>December 31, 2017</b> |
|---|--|
|   | (\$)   |
| Consulting fees paid or accrued to Cordex | 64   |
|   | <b>64</b>  |

The following summarizes advances and amounts payable to related parties:

|  | <b>December 31,<br/>2017</b> |
|--|------------------------------|
|  | (\$)                         |
| Management fee advanced to the Chairman of the Company | 13                           |
| Expense advanced to the CEO of the Company             | 13                           |
| Due to Columbus Gold                                   | (1,960)                      |
|  | <b>(1,934)</b>               |

#### Proposed transactions

Except as disclosed in the section *Spin-out of Allegiant Gold Ltd.*, there are no proposed transactions as at December 31, 2017. There are no proposed transactions as at the date of this MD&A.

#### Critical accounting estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is risk of material adjustments to assets and liabilities in future accounting periods include estimates of useful lives of depreciated and amortized assets, the recoverability of the carrying value of exploration and evaluation assets, assumptions used in determination of share-based payments, the recoverability and measurement of deferred tax assets, decommissioning, restoration and similar liabilities and contingent liabilities.

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The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include the classification of expenditures as exploration and evaluation expenditures or operating expenses and the classification of financial instruments.

#### Changes in accounting policies and standards

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three months ended December 31, 2017, and have not been applied in preparing the consolidated financial statements. Those that may have a significant effect on the consolidated financial statements of the Company are as follows:

(a) IFRS 9 – *Financial Instruments* (“IFRS 9”)

This new standard is a partial replacement of IAS 39 “Financial Instruments: Recognition and Measurement”. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

(b) Other

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

#### Financial instruments

The fair value of the Company's financial instruments, financial statement classification and associated risks are presented in the table below:

| <b>Financial instrument</b>                  | <b>Financial statement classification</b> | <b>Associated risks</b>                           | <b>Fair value at December 31, 2017 (\$)</b> |
|--|---|---|---|
| Cash   | Carrying value                            | Credit, currency, interest rate and concentration | 175   |
| Restricted cash                              | Carrying value                            | Credit, interest rate and concentration           | 4,086                                       |
| Reclamation bonds                            | Carrying value                            | Credit, currency and concentration                | 501   |
| Accounts payable                             | Carrying value                            | Currency  | (25)  |
| Due to Columbus Gold – current liability     | Carrying value                            | n/a   | (515)                                       |
| Funds received from private placement        | Carrying value                            | n/a   | (4,196)                                     |
| Due to Columbus Gold – non-current liability | Fair value                                | n/a   | (1,444)                                     |
|  |   |   | <b>(1,418)</b>                              |

#### Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at December 31, 2017 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks in Canada and the USA, and risk is assessed as low. The credit risk of restricted cash is limited to its carrying amount at the date of the consolidated statements of financial position, and are held with the Company's transfer agent.

**(b) Liquidity risk**

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at December 31, 2017, the Company had a working capital deficiency of \$338 (September 30, 2017 – working capital of \$0). As at the date of this MD&A, liquidity risk is assessed as low, as a result of restricted cash of \$4,086 released from escrow on January 28, 2018.

**(c) Market risks****(i) Foreign currency risk**

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to the fluctuation of foreign exchange rates in its US subsidiary, Allegiant Gold (U.S.) Ltd. The Company also has certain assets and liabilities denoted in US dollars. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

**(ii) Commodity price risk**

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of gold. The Company closely monitors commodity prices to determine the appropriate course of action to be taken.

**(iii) Interest rate risk**

The Company has interest bearing cash balances; therefore, it is exposed to interest rate changes.

**Sensitivity analysis**

A 1% change in interest rates does not have a material effect on the Company's profit or loss.

The Company has certain assets and liabilities in US Dollars, a currency other than the functional currency of Company. The Company estimates that a +/-10% change in the value of the Canadian dollar relative to the US dollar would have a corresponding effect of approximately \$10 to profit or loss.

**Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from equity financings and debt from Columbus Gold.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and investments.

**Fair value**

The fair value of the Company's financial instruments including cash, restricted cash, accounts payable and certain amounts due to Columbus Gold approximates their carrying value due to the immediate or short term maturity of these financial instruments. The fair value of the reclamation bonds approximates their fair value based on current interest rates and high liquidity.

The fair value of non-current amounts due to Columbus Gold are based on a 20% discount rate.

# Allegiant Gold Ltd.

## Management's Discussion and Analysis For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)



IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At December 31, 2017, non-current amounts due to Columbus Gold are categorized as Level 3 in the fair value hierarchy above.

### Other information

#### Outstanding share data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents Allegiant's capital structure as at the date of this MD&A and December 31, 2017:

|   | As at date of this<br>MD&A | December 31,<br>2017 |
|---|----------------------------|----------------------|
| Common shares issued and outstanding              | 46,681,436                 | 52                   |
| Share options outstanding (exercisable at \$0.60) | 4,665,000                  | -                    |
| Warrants outstanding (exercisable at \$\$1.00)    | 6,994,114                  | -                    |
| Warrants outstanding (exercisable at \$0.60)      | 273,490                    | -                    |

#### Risks and uncertainties

##### *Risk factors*

Prior to making an investment decision investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but do not represent all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the Directors are currently unaware or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected.

##### *Exploration, development and production risks*

An investment in the Company's shares is speculative due to the nature of the Company's involvement in the evaluation, acquisition, exploration and, if warranted, development and production of minerals. Mineral exploration involves a high degree of risk and there is no assurance that expenditures made on future exploration by the Company will result in new discoveries in commercial quantities.

While the Company has a limited number of specific identified exploration or development prospects, management will continue to evaluate prospects on an ongoing basis in a manner consistent with industry standards. The long-term commercial success of the Company depends on its ability to find, acquire, develop and commercially produce reserves. No assurance can be given that the Company will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, the Company may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. The Company has no earnings record, no reserves and no producing resource properties.

The Company's resource projects are in the exploration stage. Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge will not eliminate. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations,

## **Allegiant Gold Ltd.**

### **Management's Discussion and Analysis For the Three Months Ended December 31, 2017**

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company must rely upon consultants and contractors for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

There is no assurance that surface rights agreements that may be necessary for future operations will be obtained when needed, on reasonable terms, or at all, which could adversely affect the business of the Company.

No assurance can be given that minerals will be discovered in sufficient quantities at any of the Company's mineral projects to justify commercial operations or that funds required for additional exploration or development will be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; the proximity and capacity of milling facilities; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

#### Additional funding requirements

From time to time, the Company will require additional financing in order to carry out its acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause the Company to forfeit its interest in certain properties, miss certain acquisition opportunities, delay or indefinitely postpone further exploration and development of its projects with the possible loss of such properties, and reduce or terminate its operations. If the Company's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or be available on favorable terms.

#### Prices, markets and marketing of natural resources

Gold is a commodity whose price is determined based on world demand, supply and other factors, all of which are beyond the control of the Company. World prices for gold have fluctuated widely in recent years. The marketability and price of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond its control. The Company has limited direct experience in the marketing of gold.

Government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of natural resources and environmental protection are all factors which may affect the marketability and price of natural resources. The exact effect of these factors cannot be accurately predicted, but any one or a combination of these factors could result in the Company not receiving an adequate return on investment for shareholders.

#### Title matters

Although title to the properties has been reviewed by the Company, formal title opinions have not been obtained by the Company for most of its mineral properties and, consequently, no assurances can be given that there are no title defects affecting such properties and that such title will not be challenged or impaired. The acquisition of title to resource properties is a very detailed and time-consuming process. Title to, and the area of, resource claims may be disputed. There may be valid challenges to the title of any of the mineral properties in which the Company holds an interest that, if successful, could impair development and/or operations thereof. A defect could result in the Company losing all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates.

Any of the mineral properties in which the Company holds an interest may be subject to prior unregistered liens, agreements or transfers or other undetected title defects. There is no guarantee that title to the properties will not be challenged or impugned. The Company is satisfied, however, that evidence of title to each of the properties is adequate and acceptable by prevailing industry standards.

## **Allegiant Gold Ltd.**

### **Management's Discussion and Analysis For the Three Months Ended December 31, 2017**

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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#### Enforcement of civil liabilities

Certain of the Company's directors and certain of the experts named herein reside outside of Canada and, similarly, a majority of the assets of the Company are located outside of Canada. It may not be possible for investors to effect service of process within Canada upon the directors and experts not residing in Canada. It may also not be possible to enforce against the Company and certain of its directors and experts named herein judgements obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

#### Environmental risks

All phases of the natural resources business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions, and national, state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with operations. The legislation also requires that facility sites and mines be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of tailings or other pollutants into the air, soil or water may give rise to liabilities to foreign governments and third parties and may require the Company to incur costs to remedy such discharge. No assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect the Company's financial condition, results of operations or prospects.

Companies engaged in the exploration and development of mineral properties generally experience increased costs, and delays as a result of the need to comply with applicable laws, regulations and permits. The Company 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 natural resource exploration and development activities may be required to compensate those suffering loss or damage by reason of its activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of natural resources companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in developments of new properties.

#### Dilution

In order to finance future operations and development efforts, the Company may raise funds through the issue of shares or securities convertible into shares. The constating documents of the Company allow it to issue, among other things, an unlimited number of shares for such consideration and on such terms and conditions as may be established by the directors of the Company, in many cases, without the approval of shareholders. The Company cannot predict the size of future issues of shares or securities convertible into shares or the effect, if any, that future issues and sales of shares will have on the price of the shares. Any transaction involving the issue of previously authorized but unissued shares or securities convertible into shares would result in dilution, possibly substantial, to present and prospective shareholders of the Company.

#### Regulatory requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Company and could adversely affect its operations, business and results of operations.

## **Allegiant Gold Ltd.**

### **Management's Discussion and Analysis For the Three Months Ended December 31, 2017**

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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Government approvals and permits are currently, and may in the future be, required in connection with the mineral projects in which the Company has an interest. To the extent such approvals are required and not obtained, the Company may be restricted or prohibited from proceeding with planned exploration or development 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 be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reductions in levels of production at producing properties or require abandonment or delays in development of properties.

#### Reliance on operators and key employees

The success of the Company will be largely dependent upon the performance of its management and key employees. The Company does not have any key man insurance policies and therefore there is a risk that the death or departure of any member of management or any key employee could have a material adverse effect on the Company. In assessing the risk of an investment in the Company's shares, potential investors should realize that they are relying on the experience, judgment, discretion, integrity and good faith of the management of the Company. An investment in the Company's shares is suitable only for those investors who are willing to risk a loss of their entire investment and who can afford to lose their entire investment.

#### Permits and licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration and development of its projects.

#### Availability of equipment and access restrictions

Natural resource exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to the Company and may delay exploration and development activities.

#### Conflict of interest of management

Certain of the Company's directors and officers are also directors and officers of other natural resource companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers relating to the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies.

#### Competition

The Company actively competes for acquisitions, leases, licenses, concessions, claims, skilled industry personnel and other related interests with a substantial number of other companies, many of which have significantly greater financial resources than the Company.

The Company's ability to successfully bid on and acquire additional property rights to participate in opportunities and to identify and enter into commercial arrangements with other parties will be dependent upon developing and maintaining close working relationships with its future industry partners and joint operators and its ability to select and evaluate suitable properties and to consummate transactions in a highly competitive environment.

#### Insurance

The Company's involvement in the exploration for and development of natural resource properties may result in the Company becoming subject to liability for certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave ins, fires, floods, earthquakes, pollution, blow-outs, property damage, personal injury or other hazards. Although the Company will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not, in all circumstances be insurable,

## **Allegiant Gold Ltd.**

### **Management's Discussion and Analysis For the Three Months Ended December 31, 2017**

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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or, in certain circumstances, the Company may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to the Company. The occurrence of a significant event that the Company is not fully insured against, or the insolvency of the insurer or such event, could have a material adverse effect on the Company's financial position, results of operations or prospects.

No assurance can be given that insurance to cover the risks to which the Company's activities will be subject will be available at all or at economically feasible premiums. Insurance against environmental risks (including potential for pollution or other hazards as a result of the disposal of waste products occurring from production) is not generally available to the Company or to other companies within the industry. The payment of such liabilities would reduce the funds available to the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

#### The market price of shares may be subject to wide price fluctuations

The market price of shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for the Company, general economic conditions, changes in mineral reserve or resource estimates, results of exploration, changes in results of mining operations, legislative changes, and other events and factors outside of the Company's control.

In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the shares.

The Company is unable to predict whether substantial amounts of shares will be sold in the open market. Any sales of substantial amounts of shares in the public market, or the perception that such sales might occur, could materially and adversely affect the market price of the shares.

#### Global financial conditions

Global financial conditions over the last few years have been characterized by increased volatility and several financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. These factors may affect the ability of the Company to obtain equity or debt financing in the future on terms favourable to it. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If such increased levels of volatility and market turmoil continue, the operations of the Company may suffer adverse impact and the price of our shares may be adversely affected.

#### Credit risk

Credit risk is the risk of an unexpected loss if a party to its financial instruments fails to meet its contractual obligations. The Company's financial assets exposed to credit risk will be primarily composed of cash and amounts receivable. While the Company will attempt to mitigate its exposure to credit risk, there can be no assurance that unexpected losses will not occur. Such unexpected losses could adversely affect the Company.

#### Management's responsibility for financial statements

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements.

#### Disclosure and internal controls

Disclosure controls and procedures have been established to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which annual filings are being prepared. Furthermore, internal controls over financial reporting have been established to ensure the Company's assets are safeguarded and to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

Caution regarding forward looking statements

This document contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as “forward-looking statements”). Often, but not always, forward-looking statements can be identified by the use of words such as “plans,” “expects” or “does not expect,” “is expected,” “planned,” “budget,” “scheduled,” “estimates,” “continues,” “forecasts,” “projects,” “predicts,” “intends,” “anticipates” or “does not anticipate,” or “believes,” or variations of such words and phrases, or statements that certain actions, events or results “may,” “could,” “would,” “should,” “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any of our future results, performance or achievements expressed or implied by the forward-looking statements; consequently, undue reliance should not be placed on forward-looking statements.

These risks, uncertainties and other factors include, but are not limited to: changes in Canadian/US dollar exchange rates; management's strategies, objectives and expectations; the Company's tax position and the tax and royalty rates applicable; the Company's ability to acquire necessary permits and other authorizations in connection with its projects; risks associated with environmental compliance, including without limitation changes in legislation and regulation, and estimates of reclamation and other costs; the Company's cost reduction and other financial and operating objectives; the Company's environmental, health and safety initiatives; the availability of qualified employees and labour for operations; risks that may affect operating or capital plans; risks created through competition for mining properties; risks associated with exploration projects, and mineral reserve and resource estimates, including the risk of errors in assumptions and methodologies; risks associated with dependence on third parties for the provision of critical services; risks associated with non-performance by contractual counterparties; risks associated with title; and general business and economic conditions.

Forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to, assumptions about: general business and economic conditions; the expected timing to complete a feasibility study and other exploration milestones, the timing of the receipt of required permits and approvals for operations; the availability of equity and other financing on reasonable terms; power prices; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; the Company's ability to attract and retain skilled labour and staff; the impact of changes in Canadian/US dollar and other foreign exchange rates on costs and results; market competition; and ongoing relations with employees and with business partners and joint venturers.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Management undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required under applicable laws.

## **Allegiant Gold Ltd.**

Management's Discussion and Analysis  
For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

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### Additional information

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### Corporation information

Head Office: 1090 Hamilton Street  
Vancouver, BC V6B 2R9  
Canada

Director(s): Robert Giustra  
Norm Pitcher  
Peter Gianulis  
Russell Ball

Officers: Andy B. Wallace, Chief Executive Officer  
Andrew Yau, Chief Financial Officer  
Blaine Monaghan, Vice President, Corporate Development  
Jorge Martinez, Vice President, Communications & Technology  
Warren Beil, Vice President, Legal & Corporate Secretary

Auditor: DMCL LLP  
1500 – 1140 West Pender Street  
Vancouver, BC V6E 4G1

Legal Counsel: McMillan LLP  
Suite 1500 - 1055 West Georgia Street  
Vancouver, BC V6E 4N7

Transfer Agent: Computershare Investor Services Inc.  
2<sup>nd</sup> Floor – 510 Burrard Street  
Vancouver, BC V6C 3B9



**Allegiant Gold Ltd.  
1090 Hamilton Street  
Vancouver, B.C.  
V6B 2R9  
Canada**

**Condensed Interim Consolidated Financial Statements  
(Unaudited)**

**For the Three Months Ended  
December 31, 2017**

**(Stated in Thousands of Canadian Dollars)**

## **NOTICE OF NO REVIEW BY AUDITOR**

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* of The Canadian Securities Administrators we hereby give notice that our condensed interim consolidated financial statements for the three months ended December 31, 2017, which follow this notice, have not been reviewed by an auditor.

**Allegiant Gold Ltd.**

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in thousands of Canadian dollars - Unaudited)



|  | December 31,<br>2017<br>(\$) | September 30,<br>2017<br>(\$) |
|--|------------------------------|-------------------------------|
| <b>Assets</b>                                  |                              |                               |
| Current assets                                 |                              |                               |
| Cash   | 175                          | 0                             |
| Restricted cash (note 6)                       | 4,086                        | -                             |
| Prepaid expenses                               | 75                           | -                             |
| Deferred financing costs (note 6)              | 149                          | -                             |
|  | 4,485                        | 0                             |
| Non-current assets                             |                              |                               |
| Reclamation bonds (notes 4 and 7)              | 501                          | -                             |
| Exploration and evaluation assets (note 5)     | 19,206                       | -                             |
|  | <b>24,192</b>                | <b>0</b>                      |
| <b>Liabilities and shareholders' equity</b>    |                              |                               |
| Current liabilities                            |                              |                               |
| Accounts payable                               | 25                           | -                             |
| Accrued liabilities                            | 87                           | -                             |
| Due to Columbus Gold Corp. (note 9)            | 515                          | -                             |
| Funds received from private placement (note 6) | 4,196                        | -                             |
|  | 4,823                        | -                             |
| Non-current liabilities                        |                              |                               |
| Due to Columbus Gold Corp. (note 9)            | 1,444                        | -                             |
|  | 6,267                        | -                             |
| Shareholders' equity                           |                              |                               |
| Share capital (note 8)                         | 18,107                       | 0                             |
| Reserves                                       | 336                          | -                             |
| Deficit  | (518)                        | -                             |
|  | 17,925                       | 0                             |
|  | <b>24,192</b>                | <b>0</b>                      |

Nature of operations and going concern (note 1)  
Subsequent events (note 11)

**Approved by the Board of Directors**

*"Robert Giustra"*

Robert Giustra – Director

*"Peter Gianulis"*

Peter Gianulis - Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Allegiant Gold Ltd.**Condensed Interim Consolidated Statements of Comprehensive Loss  
(Expressed in thousands of Canadian dollars, except per share amounts - Unaudited)

|  | <b>Three months ended,<br/>December 31,<br/>2017<br/>(\$)</b> |
|--|---|
| Operating expenses   |   |
| Administration and office  | 24  |
| General exploration  | 57  |
| Investor relations   | 149   |
| Professional fees  | 139   |
| Transfer agent and filing fees                                     | 99  |
| Loss before other items  | (468)   |
| Other items  |   |
| Interest income  | 1   |
| Accretion expense (note 9)   | (54)  |
| Foreign exchange gain  | 3   |
| <b>Loss before taxes and net loss for the period</b>               | <b>(518)</b>  |
| Items that may subsequently be reclassified to net income or loss: |   |
| Foreign currency translation gain                                  | 122   |
| <b>Comprehensive loss for the period</b>                           | <b>(396)</b>  |
| Basic and diluted loss per share (note 8c)                         | (10,159)  |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Allegiant Gold Ltd.**Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in thousands of Canadian dollars - Unaudited)

|  | <b>Three months ended,<br/>December 31, 2017</b> |
|--|--|
|  | <b>(\$)</b>                                      |
| <b>Operating activities</b>                          |  |
| Net loss for the period                              | (518)  |
| Items not involving cash                             |  |
| Accretion expense                                    | 54   |
| Unrealized foreign exchange gain                     | (5)  |
| Changes in non-cash working capital                  | (469)  |
| Prepaid expenses                                     | (71)   |
| Deferred financing costs                             | (149)  |
| Accounts payable                                     | 25   |
| Accrued liabilities                                  | 17   |
| Cash used in operating activities                    | (647)  |
| <b>Investing activities</b>                          |  |
| Cash from acquisition of Allegiant Gold Holding Ltd. | 130  |
| Exploration and evaluation assets                    | (407)  |
| Reclamation bonds                                    | (51)   |
| Interest received                                    | 1  |
| Cash used in investing activities                    | (327)  |
| <b>Financing activities</b>                          |  |
| Private placement of Subscription Receipts (note 6)  | 4,196  |
| Transferred to restricted cash                       | (4,086)  |
| Advances from Columbus Gold Corp.                    | 1,038  |
| Cash from financing activities                       | 1,148  |
| Effect of foreign exchange on cash                   | 1  |
| Increase in cash                                     | 175  |
| Cash, beginning of period                            | 0  |
| <b>Cash, end of period</b>                           | <b>175</b>                                       |

Other non-cash transactions:

During October 2017, the Company issued 51 common shares to acquire Allegiant Gold Holding Ltd. from Columbus Gold Corp. (note 3).

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**Allegiant Gold Ltd.**Condensed Interim Consolidated Statements of Shareholders' Deficit  
(Expressed in thousands of Canadian dollars - Unaudited)

|  | Share capital       |                       | Reserves<br>(\$) | Deficit<br>(\$) | Total<br>(\$) |
|--|---------------------|-----------------------|------------------|-----------------|---------------|
|  | Number<br>of shares | Share capital<br>(\$) |                  |                 |               |
| Share issued to Columbus Gold Corp.  | 1                   | 0                     | -                | -               | 0             |
| <b>Balance, September 30, 2017</b>   | <b>1</b>            | <b>0</b>              | -                | -               | <b>0</b>      |
| Shares issued for acquisition of<br>Allegiant Gold Holding Ltd.            | 51                  | 18,107                | -                | -               | 18,107        |
| Contributions - discount of amounts due<br>to Columbus Gold Corp. (note 9) | -                   | -                     | 214              | -               | 214           |
| Comprehensive loss   | -                   | -                     | 122              | (518)           | (396)         |
| <b>Balance, December 31, 2017</b>  | <b>52</b>           | <b>18,107</b>         | <b>336</b>       | <b>(518)</b>    | <b>17,925</b> |

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

**1. Nature of operations and going concern**

Allegiant Gold Ltd. (the “Company” or “Allegiant”), was incorporated on September 26, 2017 under the laws of the Province of British Columbia, Canada. The Company was a wholly-owned subsidiary of Columbus Gold Corp. (“Columbus Gold”), a Toronto Stock Exchange listed company, until January 25, 2018, when it was spun-out of Columbus Gold by way of a plan of arrangement (the “Arrangement”) as a separate entity. The Company obtained its initial listing on the TSX Venture Exchange (“TSXV”) on January 30, 2018.

The Company’s head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

On October 1, 2017, the Company acquired Allegiant Gold Holding Ltd. (“AGHL”) from Columbus Gold (note 3), which indirectly held all of Columbus Gold’s exploration and evaluation assets in Nevada.

The Company’s principal business activities are the exploration and development of resource properties located in the United States of America. The Company is in the process of exploring and developing its resource properties, but has not yet determined whether the properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production or from proceeds of disposition. The Company’s exploration and evaluation activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of exploration and evaluation activities to manage its capital structure in light of changes in global economic conditions. To date, the Company has not received any revenue from mining operations and is considered to be in the exploration stage.

These financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to carrying values of assets and liabilities may be required. At December 31, 2017, the Company has a working capital deficiency of \$338 (September 30, 2017 – working capital of \$0) and deficit of \$518 (September 30, 2017 - \$nil). Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations and/or secure new or additional partners in order to advance its projects. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

**2. Basis of presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending September 30, 2017.

These condensed interim consolidated financial statements were approved by the Board of Director(s) and authorized for issue on February 16, 2018.

**Allegiant Gold Ltd.**

## Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

**3. Acquisition of AGHL**

On October 1, 2017, the Company issued 49 shares to Columbus Gold in exchange for all of the outstanding common shares of AGHL, which indirectly held all of Columbus Gold's exploration and evaluation assets in Nevada.

The transaction was between entities under common control as it was a transfer of assets previously owned directly by Columbus Gold to the Company, a wholly owned subsidiary of Columbus Gold at the time. Accordingly, the Company recorded the assets transferred at the historical carrying costs of Columbus Gold at the date of transfer. The carrying amounts of the assets and liabilities transferred from Columbus Gold to the Company included:

|                                    | \$            |
|------------------------------------|---------------|
| Cash                               | 130           |
| Reclamation bonds                  | 447           |
| Prepaid expenses                   | 4             |
| Exploration and evaluation assets  | 18,676        |
| Accrued liabilities                | (67)          |
| Due to Columbus Gold – current     | (858)         |
| Due to Columbus Gold – non-current | (1,082)       |
|                                    | <b>17,250</b> |

On October 29, 2017, AGHL issued 2 additional shares to Columbus Gold to settle debt outstanding of \$858. On October 29, 2017, the Company issued 2 additional shares to Columbus Gold in exchange for the additional 2 common shares of AGHL, and consequently retained a 100% interest in AGHL.

**4. Reclamation bonds**

The drilling permits for the following properties require refundable reclamation bonds, which are held by the USA Forest Service and the US Bureau of Land Management:

|                | December 31,<br>2017<br>(\$) | September 30,<br>2017<br>(\$) |
|----------------|------------------------------|-------------------------------|
| Big Lime       | 10                           | -                             |
| Bolo           | 195                          | -                             |
| Brown's Canyon | 20                           | -                             |
| Eastside       | 245                          | -                             |
| Hugh's Canyon  | 17                           | -                             |
| Monitor Hills  | 14                           | -                             |
|                | <b>501</b>                   | <b>-</b>                      |

**Allegiant Gold Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

**5. Exploration and evaluation assets**

A summary of exploration and evaluation assets by property for the three months ended December 31, 2017 is set out below:

| <b>Property</b>   | <b>On Acquisition<br/>of AGHL<br/>(\$)</b> | <b>Additions<br/>(\$)</b> | <b>Foreign<br/>exchange<br/>(\$)</b> | <b>Balance at<br/>December 31, 2017<br/>(\$)</b> |
|-------------------|--|---------------------------|--------------------------------------|--|
| Big Lime          | 1  | 0                         | 0                                    | 1  |
| Bolo              | 3,969                                      | 67                        | 26                                   | 4,062  |
| Clanton Hills     | 33   | 14                        | 0                                    | 47   |
| Eastside          | 14,078                                     | 211                       | 95                                   | 14,384   |
| Four Metals       | 14   | 0                         | 0                                    | 14   |
| Hugh's Canyon     | 43   | 6                         | 0                                    | 49   |
| Mogollon          | 195  | -                         | 1                                    | 196  |
| Monitor Hills     | 62   | 1                         | 0                                    | 63   |
| North Brown       | 14   | 11                        | (0)                                  | 25   |
| Overland Pass     | 40   | 3                         | 0                                    | 43   |
| Red Hills         | 25   | 31                        | (0)                                  | 56   |
| Silver Dome       | 18   | 0                         | 0                                    | 18   |
| West Goldfield    | 151  | 2                         | 1                                    | 154  |
| White Canyon      | 0  | -                         | -                                    | 0  |
| White Horse Flats | 12   | 38                        | (0)                                  | 50   |
| White Horse North | 21   | 23                        | (0)                                  | 44   |
|                   | <b>18,676</b>                              | <b>407</b>                | <b>123</b>                           | <b>19,206</b>                                    |

A summary of the exploration and evaluation assets by cost category is set out below:

|                                     | <b>(\$)</b>   |
|-------------------------------------|---------------|
| On acquisition of AGHL              | 18,676        |
| Drilling                            | 32            |
| Geology, trenching and geophysics   | 70            |
| Management and administration       | 262           |
| Technical studies                   | 14            |
| Travel                              | 29            |
| Foreign exchange                    | 123           |
| <b>Balance at December 31, 2017</b> | <b>19,206</b> |

*Bolo*

The Bolo project is located approximately 60 km northeast of Tonopah, Nevada. The Company holds a 100% interest in Bolo, subject to underlying royalties.

*Eastside*

The Eastside project is located approximately 32 km west of Tonopah, Nevada. The Company holds a 100% interest in Eastside, subject to underlying royalties.

**5. Exploration and evaluation assets - continued***Mogollon*

The Company is party to an option agreement dated December 22, 2015, with a third party (the “Mogollon Optionee”), granting the Mogollon Optionee an option to acquire a 100% interest in the Company’s Mogollon silver-gold project located in Catron County, New Mexico. The agreement requires the Mogollon Optionee to pay AGHL’s subsidiary an aggregate of \$1,298 (US\$1,000,000) in staged annual payments over a four-year period. As at December 31, 2017, the Mogollon Optionee made two option payments totaling \$334 (US\$250,000) (also refer to note 11).

*Other*

The Company has additional exploration and evaluation assets located in the USA, comprised of the following properties: Big Lime, Clanton Hills, Four Metals, Hugh’s Canyon, Monitor Hills, North Brown, Overland Pass, Red Hills, Silver Dome, West Goldfield, White Canyon, White Horse Flats, and White Horse North.

**6. Funds received from private placement**

On December 8, 2017, the Company closed brokered and non-brokered private placements of subscription receipts (the “Subscription Receipts”) for combined gross proceeds of \$4,196. Under the terms of the Subscription Receipts, the net proceeds of \$4,086 were held in escrow pending satisfaction of the conditions to closing of the Arrangement (also refer to note 11). Financing costs of \$149 were deferred until all conditions to closing of the Arrangement have been completed.

Each Subscription Receipt entitles the holder to receive, upon closing of the Arrangement, one common share of Allegiant and one common share purchase warrant (“Allegiant Warrant”), exercisable for a period of 24 months from release from escrow to acquire one Allegiant common share at a price of \$1.00 per share. The expiry of the Allegiant Warrants may be accelerated by the Company, at any time in the event that the volume-weighted average closing price of the Allegiant common shares on the TSXV, or such other exchange on which the Allegiant common shares may primarily trade from time to time, is greater than or equal to \$1.20 for a period of 20 consecutive trading days, by giving notice to the holders thereof, and in such case, the Allegiant Warrants will expire on the earlier of: (i) the 30th day after the date on which such notice is given by Allegiant, and (ii) the actual expiry date of the Allegiant Warrants.

**7. Restoration provision**

The Company has restoration obligations in connection with certain properties in Nevada. The Company has in place reclamation bonds with the USA Forest Service and the US Bureau of Land Management (also refer to note 4) to cover these obligations.

**8. Share capital****(a) Common shares**

Authorized - unlimited common shares without par value.

At December 31, 2017, the Company had 52 (September 30, 2017 – 1) common shares issued and outstanding.

During October 2017, the Company issued 51 common shares to Columbus Gold in exchange for all of the outstanding common shares of AGHL, which indirectly held all of Columbus Gold’s exploration and evaluation assets in Nevada.

**Allegiant Gold Ltd.**

## Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

**8. Share capital - continued**

## (b) Share options

The Company has a share option plan to issue share options whereby the total share options outstanding may be up to 10% of its issued capital at the time of an applicable option grant. The Board of Directors may from time to time, grant options to directors, officers, employees or consultants. The exercise price of an option is not less than the closing price on the TSXV on the last trading day preceding the grant date.

As at December 31, 2017, no share options have been granted.

## (c) Loss per share

|  | <b>Three months ended,<br/>December 31, 2017</b>     |
|--|--|
|  | <b>(\$)</b>  |
| Basic and diluted loss per share                                       | (10,159)   |
| Net loss for the period  | <b>(518)</b>   |
|  | <b>Three months ended,<br/>December 31,<br/>2017</b> |
| Shares outstanding, beginning of period                                | 1  |
| Effect of shares issued to acquire AGHL                                | 50   |
| <b>Basic and diluted weighted average number of shares outstanding</b> | <b>51</b>  |

**9. Related party transactions**

Columbus Gold, a company with certain directors and officers in common, provides the Company with administration and management services on a shared cost basis under a corporate services agreement (the "CSA"). The CSA is effective until December 31, 2018 and may be terminated by either party with three months' notice.

As at December 31, 2017, the Company has \$2,119 (September 30, 2017 - \$nil) due to Columbus Gold, of which \$515 is due upon closing of the Arrangement, and \$1,604 (the "Grid Note") is due on the later of March 1, 2019 or when the Company has completed one or more equity financings with collective proceeds of a minimum of \$4,000 subsequent to the date on which the Company lists on the TSXV.

As the Grid Note is a non-current liability, the Company has discounted the Grid Note with a 20% annual discount rate, resulting in a discount of \$214 allocated to the reserves account. A continuity table of the Grid Note is as follows:

|                                   | <b>(\$)</b>  |
|-----------------------------------|--------------|
| Principal balance                 | 1,604        |
| Fair value discount               | (214)        |
| Accretion for the period          | 54           |
| <b>Balance, December 31, 2017</b> | <b>1,444</b> |

The amounts due to Columbus Gold represent advances to fund the Company from July 1, 2017 to December 31, 2017, and are unsecured and interest free.

**Allegiant Gold Ltd.**

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended December 31, 2017

(Expressed in thousands of Canadian dollars, except for per share amounts or where noted - Unaudited)

**9. Related party transactions - continued**

The Company has engaged the services of Cordilleran Exploration LLC (“Cordex”) to generate, evaluate, and explore mineral properties on behalf of the Company, primarily in Nevada. The current agreement is in effect to December 31, 2018. Monthly payments consist of a management fee of \$32 (US\$25,167) and there is a net smelter return (“NSR”) royalty for Cordex on existing and new properties. The principal of Cordex is an officer of the Company.

The following is a summary of related party transactions:

|   | <b>Three months ended,<br/>December 31, 2017</b> |
|---|--|
|   | <b>(\$)</b>                                      |
| Consulting fees paid or accrued to Cordex | 64   |
|   | <b>64</b>  |

The following summarizes advances and amounts payable to related parties:

|  | <b>December 31,<br/>2017</b> |
|--|------------------------------|
|  | <b>(\$)</b>                  |
| Management fee advanced to the Chairman of the Company | 13                           |
| Expense advanced to the CEO of the Company             | 13                           |
| Due to Columbus Gold                                   | (1,960)                      |
|  | <b>(1,934)</b>               |

**10. Segmented information**

The Company has one reportable business segment, being mineral exploration and development. Assets by geographical area are as follows:

|                           | <b>December 31, 2017</b> | <b>September 30, 2017</b> |
|---------------------------|--------------------------|---------------------------|
|                           | <b>(\$)</b>              | <b>(\$)</b>               |
| <b>Current assets</b>     |                          |                           |
| Canada                    | 4,341                    | 0                         |
| USA                       | 144                      | -                         |
|                           | <b>4,485</b>             | <b>0</b>                  |
| <b>Non-current assets</b> |                          |                           |
| Canada                    | -                        | -                         |
| USA                       | 19,707                   | -                         |
|                           | <b>19,707</b>            | <b>-</b>                  |
| <b>Total assets</b>       |                          |                           |
| Canada                    | 4,341                    | 0                         |
| USA                       | 19,851                   | -                         |
|                           | <b>24,192</b>            | <b>0</b>                  |

**11. Subsequent events**

On January 29, 2018, 6,994,114 Subscription Receipts were converted to 6,994,114 common shares of the Company and 6,994,114 Allegiant Warrants (refer to note 6).

On January 29, 2018, restricted cash of \$4,086 was released from escrow, and net of certain financing costs, cash of \$3,916 was released to the Company.

On January 29, 2018, 273,490 finders' warrants were issued with an exercise price of \$0.60, expiring on January 29, 2020.

On January 29, 2018, the Company repaid \$515 to Columbus Gold.

On January 30, 2018, 4,665,000 share options were granted to certain directors, officers, employees and consultants of the Company with an exercise price of \$0.60, and expiring on January 30, 2023. 200,000 share options vest on July 1, 2018, 200,000 share options vest on December 1, 2018, and the balance of 4,265,000 share options vest immediately.

On February 2, 2018, the Company received \$12 (US\$10,000) from the Mogollon Optionee, in exchange for extending the deadline for a \$247 (US\$200,000) payment the Mogollon Optionee needs to make to the Company, to February 28, 2018 (refer to note 5).