



**Happy Holidays from The Mercenary Geologist
For Subscribers Only**

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Dear Subscriber,

Time flies as the calendar rushes by and once again it's the season to wish holiday cheer and express thanks to our loyal and valued subscribers. MercenaryGeologist.com has completed its third full year of offering speculating ideas, macroeconomic viewpoints, commodities opinion, and education to the lay investor.

During 2009 and 2010 we celebrated the best market returns in memory for the junior resource sector. 2011 has been a different story.

We witnessed a record year for prices of gold, silver, copper, and rare earth elements and robust oil, coal, uranium, and specialty metals markets. Commodity prices contributed to a 3.5 year high in the Toronto Venture Exchange Index in early March. However, the junior equities market has gone on a long and bumpy ride to the downside for the past nine months.

That said, our near-perfect track record for stocks covered in the [Mercenary Musings](#) newsletter speaks for itself:

Since launching the sponsorship business model in September 2008, 15 of 17 stocks have at least doubled in 12 months or less and one took 13 months to triple. By employing my [Power of Two](#) trading philosophy, we have had only one failure in three plus years.

Stocks we continue to cover are shown in **black** with high returns noted since the date coverage was initiated; those in which coverage has terminated are shown in **red** and high return is a standard 12 months or the coverage period, whichever was longest:

- Eight stocks have been two-baggers (**AGC.V**; **ANI.V**; **EMX.V**; **GGA.T**; **HAT.V**; **MAW.T**; **OAG.V**; **PEZ.T**).
- Two stocks have been three-baggers (**FIS.V in 13 months**; **LYD.T**; **QRM.AMEX**).

- Three stocks have been five-baggers ([AMM.T](#); [AVL.AMEX](#); [TSM.AMEX](#)).
- One stock is a seven-bagger ([STM.T](#)).
- One stock is over a twenty-bagger ([REE.AMEX](#)).
- [OOO.V](#) was written off as a failure and recently sold for a 50% tax loss. I made a mistake on this company by trusting management and technical teams who repeatedly missed their own self-imposed deadlines. The company is a classic case of over-promise and under-deliver.
- We initiated coverage on six new companies in 2011. After highly profitable returns in 2009 and 2010, I felt the gold sector would underperform this year and therefore, made a conscious effort to divest of advanced gold explorers. This year we focused the investment strategy on prospect generators with initial coverage of three companies ([AVU.V](#); [EST.V](#), [TCC.V](#)). We also added one start-up gold explorer ([BRI.V](#)), a new copper developer ([CUV.T](#)), and a rare earth company with a unique business plan ([MDL.V](#)).
- Amidst the most brutal tax-loss selling season since 2008, volatile swings in commodities prices, and periodic market panics driven by the on-going Euro debt debacle, [AVU.T](#), [EST.V](#), [MDL.V](#), and [TCC.V](#) are heavily underwater at this juncture, [BRI.V](#) continues to trade modestly above our price pick, and [CUV.T](#) is trading at even stakes after two weeks of coverage.
- Although returns have suffered in the last half of 2011 and it remains to be seen if we can replicate our stellar record in the months to come, remember that our commitment to these six stocks is for a minimum of 12 months and none have been held that long.

I think that markets will improve after the New Year. Do not forget that all juniors have a low to high double in any given 52 week period and whether bull or bear market, it remains incumbent on us to buy at low volumes and prices and sell on the highs.

Our 2011 business plan for [MercenaryGeologist.com](#) set several goals and here are the results:

- Publish a [Mercenary Musing or Alert](#) twice a month: We didn't quite make this goal with 22 reports this year, including a new Mercenary Alert coming before year's end. I can blame the shortfall on a much busier travel schedule and a strong commitment to developing our radio and television business. Rest assured that I intend to be more literary in the year to come. We syndicate to a number of hard asset and financial websites so our reach continues to be much more extensive than most paid subscription newsletters.
- Procure additional speaking engagements: I was an invited speaker at 14 conferences and seminars in 2011 including *Yukon Room*, *Cambridge House*, *PDAC*, *Chicago Resource Expo*, *Hard Assets*, and *New Orleans Investment Conference*. I was honored to be a keynote speaker at three events including a *Murdoch Capital Partners REE Investment Symposium* in New York, the *Precious and Rare Metals Investor Forum*, Geneva, Switzerland, and the *Uranium 2011* conference in Casper, Wyoming.
- Expand a television career with appearances on business news programs: I made nine live appearances on Canada's *Business News Network (BNN)*, six *Business Television (B-TV)* clips

syndicated to television networks in the United States and Canada, and two each on *Fox Business* and *CNBC World*.

- Maintain our interview program with over 80 appearances in 2011: We continue to produce [Mercenary Musings Radio with Mickey Fulp and Rob Graham](#), a bi-weekly commodities program marketed exclusively to *Kitco*. I did regular audio and video interviews with resource news media including the aforementioned program, *The Korelin Economics Report*, *The Northern Miner*, *Kitco News*, *SNN Live*, *Scott Gibson*, *Resource Stock Digest*, *This Week in Commodities*, and *The Ellis Martin Report*, and transcribed interviews with *The Gold Report*, *The Energy Report*, and *Metals News*. We added several business radio interviews and now appear regularly on *Butler on Business* based in Atlanta and *The Financial Survival Network* out of the New York metro area.
- Continue with a mentoring program for geology students, junior geologists, and investors: I participated in a graduate seminar at *New Mexico Tech*, served on the *Society of Economic Geologists Student Affairs Committee*, wrote two articles for *Micro-Cap Review Magazine*, and lent career advice to several young geologists and engineers.
- Build our subscriber base: We added over 2200 opt-in subscribers to the Mercenary Geologist website during the first eleven months of 2011 and our current list is nearly 6000.
- Start a social network: We launched a [Twitter](#) account in October 2010 and have grown our network from 87 followers in the first month to over 7500 today. We tweet to those who prefer to receive immediate news via cell phone and only when new products are released from The Mercenary Geologist.

We are pleased to announce two new initiatives to augment our phenomenal business growth. Thru the diligent work of my webmaster, Raffaele Della Peruta, we recently launched our very own radio station, [MercenaryGeologist.FM](#), on the internet. It features 24/7 audio streaming of my recent interviews. We hope you will check it out.

In order to reach our large and growing Chinese investor audience on the west coast of North America and in eastern China, we soon will post a scaled-down version of our website for those who prefer to read in Simplified Chinese. We will notify subscribers when it is up and running in early 2012.

Our team intends to expand and upgrade these new offerings and add other products in the coming months as [MercenaryGeologist.com](#) continues to grow.

Finally, it's time to thank my dedicated staff members who continue to make this business the best it can be. I could not be the successful front man without the support they provide.

Especially important is the guy who makes this internet-based business function on a daily basis, the aforementioned Raffaele Della Peruta of [DomainTrafficMedia.com](#). Raff's insight into all things internet and his ability to gain market share for our business continues to produce impressive results.

Sincere thanks goes to my Vancouver-based editor Erin Ostrom for her fine work. My geological assistant James Tabinsky has proven a jack-of-all-trades and deserves thanks for making the New Mexico office function well.

My thanks also goes to the stunningly gorgeous and always vivacious Kirsty Hogg who lends support, provides promotion, and develops networking opportunities at various investment conferences. Jeff Phillips of *Global Market Development* is always available to lend advice on our business model and plans for the future.

To my trusted neighbor in the South Valley, Randy Sanchez, who takes care of the farm during my many days away, our 35-year friendship means the most to me.

Most importantly, we are dependent on you, our loyal subscribers, to read, listen, and watch. I hope we can continue to garner your attention and interest with our opinions and ideas on commodities, macroeconomics, geopolitics, American libertarianism, education and mentoring, and speculating in the junior resource market.

Our rapid growth precludes replying to every email personally but we continue to welcome your input and will always strive to answer your inquiries on a timely basis.

We wish a happy holiday season to you and yours and a prosperous 2012.

Ciao for now,

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