



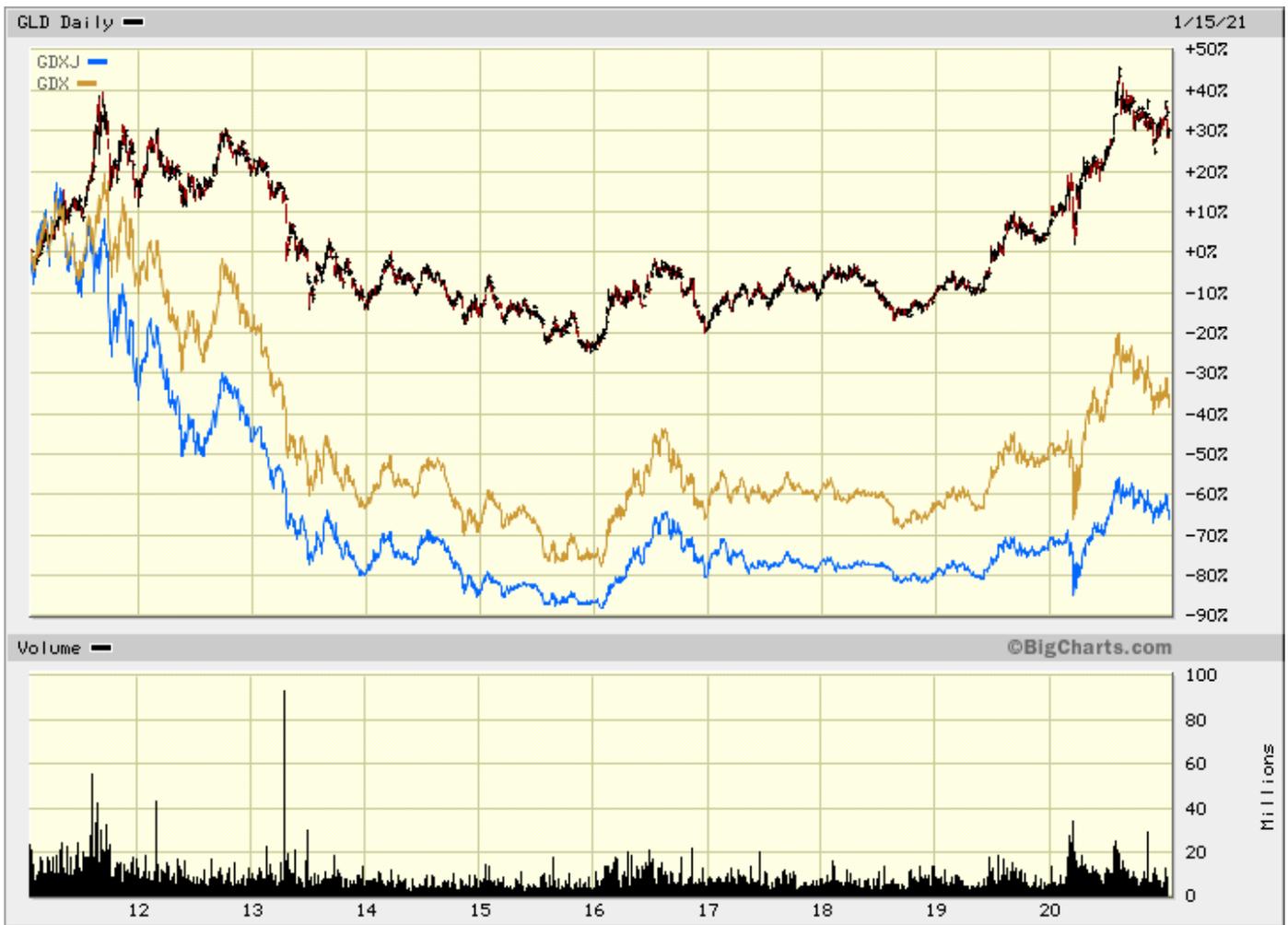
Know when to hold-em!  
 Know when to fold-em!  
 Know where to set stops!  
 Know when to run!  
 Never count your portfolio  
 Until the sells are done..

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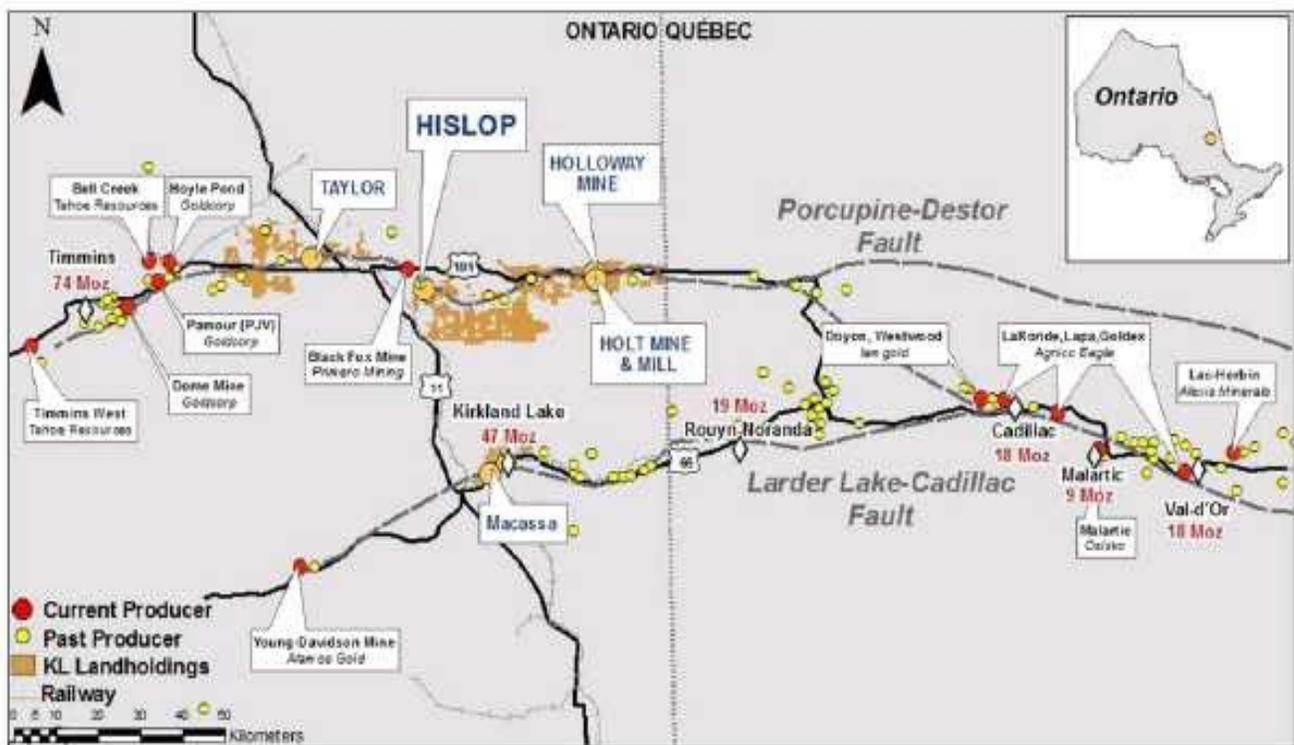
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This chart compares **gold (GLD)** to gold mining stocks, measured by **GDX**, the seniors and **GDXJ**, the more junior producers, since the bull market topped out in 2011. It is easy to see that while gold has recovered to its 2011 highs and did break higher, the gold stocks are a long ways from that. The GDX is about -35% below 2011 levels and the GDXJ -65%. This is an opportune time to accumulate still under valued gold stocks.



As readers of this newsletter you are familiar with the mining sector, and the Abitibi Greenstone Belt in Canada. One of our most successful junior explorers last year was Amex Exploration in this belt. For a quick refresher. The Abitibi is the world's largest mineral-rich greenstone geological belt, hosting many major gold and base metal deposits. It is a 450 km long by 150 km wide geological structure that runs through the Canadian Shield, from west of Timmins, Ontario, then eastward to Chibougamau, Quebec.

Gold was found in the area in the late 1800's, but significant gold mining activity accelerated with the discovery of the Dome, Hollinger and McIntyre mines near what is now Timmins, Ontario, around 1909. Since that time, more than 100 mines have produced in excess of 170 million ounces of gold. While the belt is known primarily for its prolific gold mining history, base metals mines in the region have produced over 400 million ounces of silver, 15 billion tons of copper, and 35 billion tons of zinc.



The above map comes from [a great article on the Abitibi belt here](#).

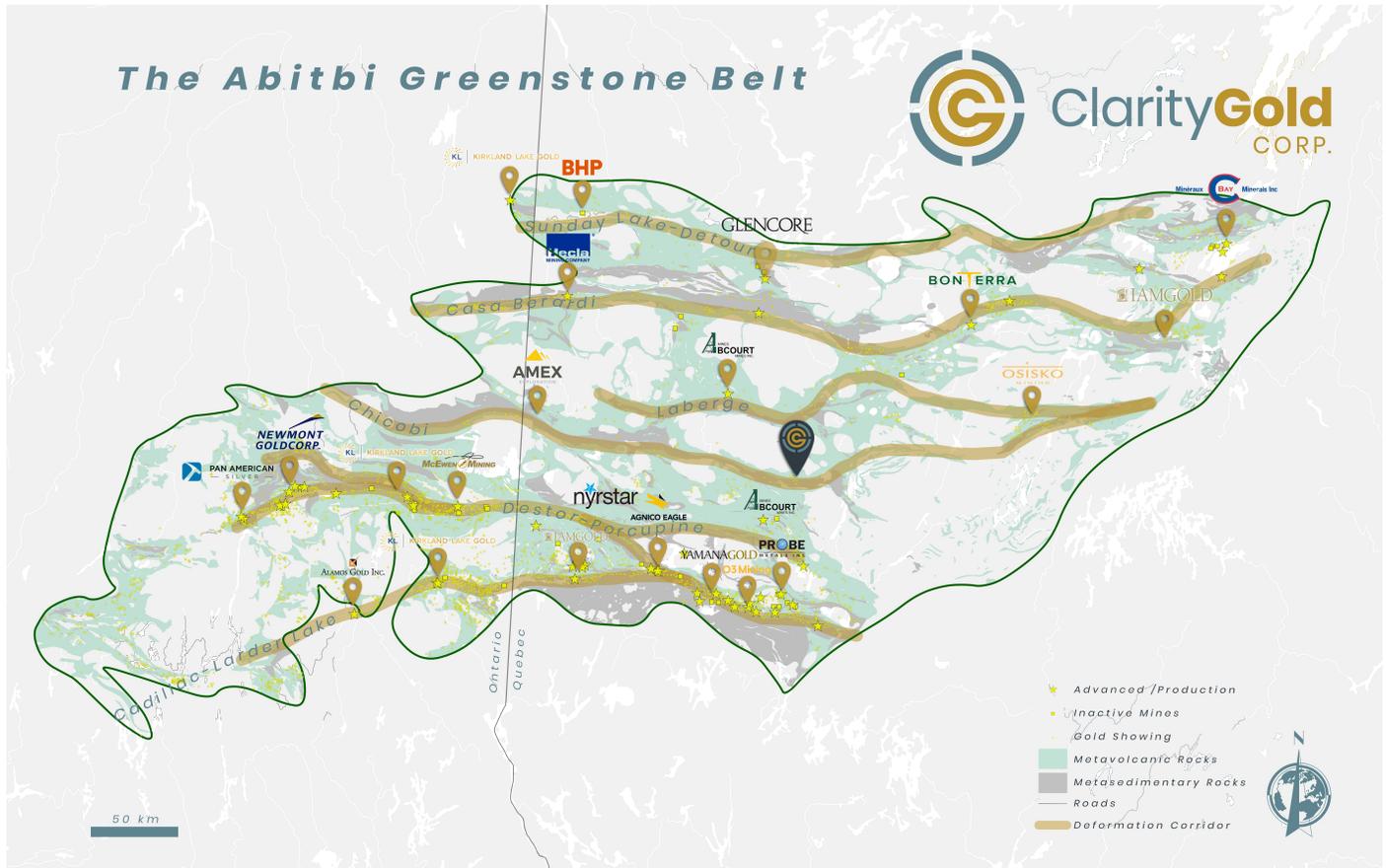
We bought Amex Exploration (AMX) on a pull back, just a couple months after their discovery at a market valuation of C\$70 million. Just 2 months earlier it was only valued at C\$10 million. For sure I wanted to get in my next pick in the belt early with Clarity Gold. It has a current market valuation of C\$24 million.

**Clarity Gold**      **CSE:CLAR**      **OTC:CLGCF**      **Recent Price \$1.20**

Shares outstanding – 20.37 million  
Fully diluted - 23.24 million

The graphic next page shows that Clarity is on the same break/fault as Amex Exploration. What is unique about this break/fault is that it does not have as much gold surface showings as the Destor Porcupine and Cadillac Larder Lake to the south and the Detour and Casa Berardi to the north. The Chicobi break where Amex and Clarity are located has some over burden, so it has had much less exploration. **That is a good thing as much more potential remains as proven by Amex Exploration.**

Another important point is that Clarity has a head start over what Amex Exploration had because it has a 43-101 resource of 360 Koz Au (10.8Mt @ 1.05 gpt Au) Indicated, 247 Koz Au (8.3Mt @ 0.92 gpt Au) Inferred ounces on one small area of the project. And just like Amex when they started out, most of the previous drilling was at shallow depths when the Abitibi is known to go down to deep depths.



## Management

**James Rogers, Director, CEO** is a resource professional and entrepreneur active in the exploration and mining sector for over 13 years, and has developed projects in the Americas, Europe, and Africa. Mr. Rogers is the Principal of Longford Exploration Services. Since 2017, James and his teams have identified and vended over 90 resource properties to public and private companies. James specializes in generating projects through focused-area selection from large databases. Results are achieved by employing a number of GIS, 3D software and remote sensing solutions, along with the timely execution of field exploration.

**Andrew Male, Director** is an experienced Director & Executive Officer of public and private companies in the resource and investment sectors. A former Founder and CEO of a TSX Venture Top 50 Company Ranked 9th, Mr. Male guided the company through the initial financing phases, project acquisitions, deployment of exploration programs, development financing, transitioning mining assets from greenfield to brownfield and the acquisition of adjacent producers and eventual sale to Private Equity. As a seasoned Director and Officer Mr. Male has sat on a number of Boards and worked with multiple companies in varying capacities.

**Theo Van Der Linde, Director** is a Chartered Accountant with 20 years extensive experience in finance, reporting, regulatory requirements, public company administration, equity markets and financing of publicly traded companies. He has served as a CFO & Director for a number of TSX Venture Exchange and Canadian Securities Exchange (CSE) listed companies over the past several years.

**Ian Graham, Advisor** has over 20 years of experience in the development and exploration of mineral projects, corporate transactions, project evaluations, and exploration. Mr. Graham's experience is mostly at

major mining companies, namely Rio Tinto and Anglo American, including as Chief Geologist with the Project Generation Group at Rio Tinto. He has been involved with evaluation and pre-development work on several projects in Canada and abroad, including Resolution Copper (Arizona, USA), Diavik Diamond Mine (Northwest Territories, Canada), Eagle Nickel (Michigan, USA), Lakeview Nickel (Minnesota, USA) and Bunder Diamonds (India).

**Michel Robert, Advisor** (B.A., B.A.Sc. (Hons), M.A.Sc (Hons)) is a metallurgist and mining engineer with over 45 years of diverse technical experience in the mining industry, both identifying assets for acquisition and then putting those mines back into production. Mr. Robert's experience in mining operations with major companies, include Quebec Cartier Mining Ltd., Teck Corp., SNC, Lac Minerals (now Goldcorp), AMEC, Minero Peru, Fluor Daniel and Pan American Silver Corp., where Michel's roles have ranged from foreman to President. As Senior Vice President for Pan American Silver Corp. from 1995 to 2001, Michel managed operations in Latin America including the expansion of the company into Peru, Mexico, and Bolivia.

**Michael Williams, Advisor** has over 24 years of experience as a senior mining executive. He has held the role of Executive Chairman with several different public companies, including Underworld Resources Ltd, which was sold to Kinross Gold Corp in 2010 for \$138 million.

**Rory Kutluoglu , Advisor** is a professional geologist with over 15 years of international mineral exploration experience and executive management roles in North American and European companies. Mr. Kutluoglu was the Exploration Manager for Kaminak Gold Corp. leading their team to deliver the maiden and updated resources on the Coffee Gold Project prior to Kaminak's acquisition by Gold Corp. in 2016.

## **Properties**

### **Destiny, 100% option, 5,013 hectares**

Being in a prolific gold belt, there is very good infrastructure with road access to the project. It is located 75 km NNE of Val d'Or Quebec.

### **Previous work on the property includes:**

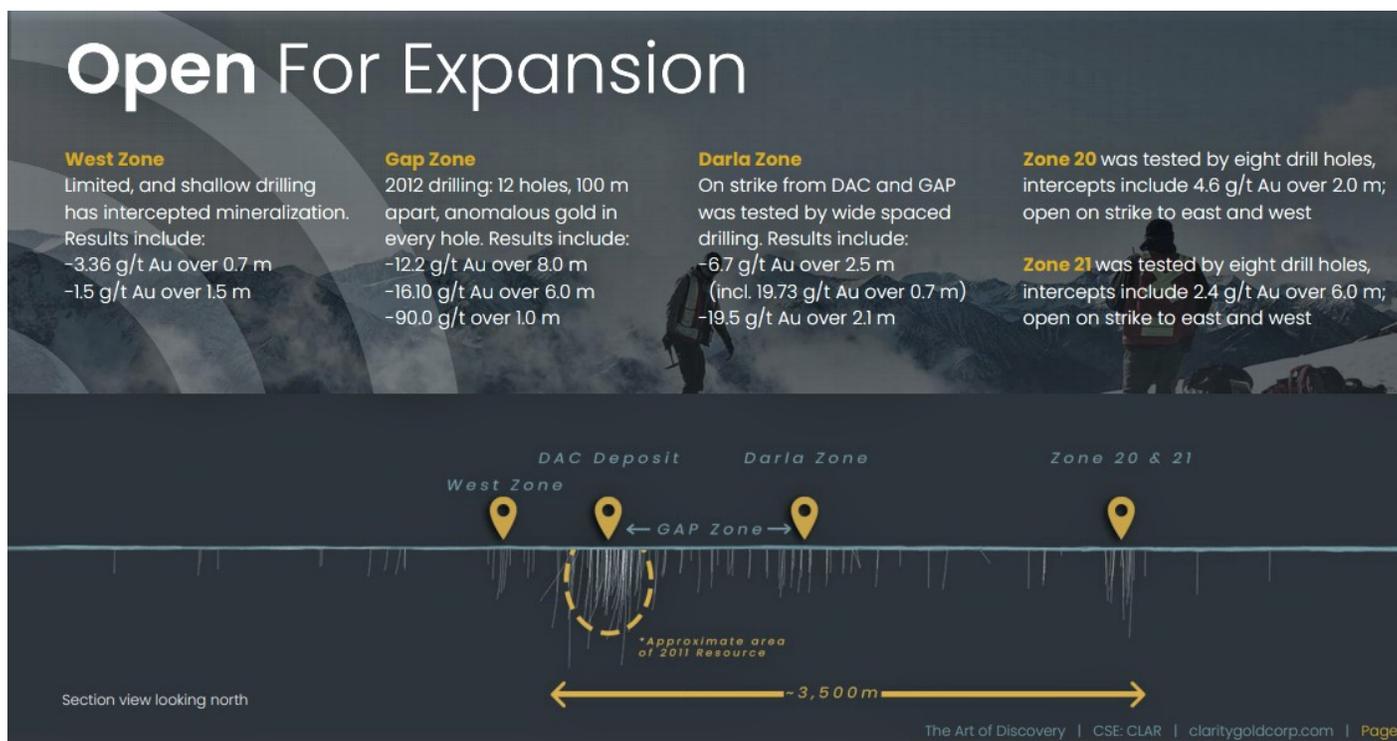
- 172 Diamond drill holes comprising approximately 50,400 m
- Reconnaissance till sampling from 11 Sonic drill holes
- 2,430 MMI geochemical samples
- 982 line km of airborne VTEM surveys
- 171 line km of ground magnetics surveys
- 128 line km of IP

### **There are numerous historic high grade intersects, such as:**

- 23.95 g/t over 3.1 meters from 118.8m (Dac zone)
- 22.14 g/t over 1.4 meters from 161.8m (Dac zone)
- 19.49 g/t over 2.7 meters from 166.0m (Dac zone)
- 167.0 g/t over 1.0 meter from 221.7m (Dac zone)
- 25.65 g/t over 1.1 meter from 372.9m (Daria zone)
- 90.3 g/t over 1.0 meter from 87.5m (Gap zone)

**Dac deposit - the 2011 NI 43-101 Resource consists of 360 Koz Au (10.8Mt @ 1.05 gpt Au) Indicated and 247 Koz Au (8.3Mt @ 0.92 gpt Au) Inferred .**

This next graphic is from [CLAR's presentation](#) that gives a very good picture how this could easily grow into a multi-million ounce deposit. There is at least 3.5 kms of strike that has sporadic drill holes that have assayed grades similar to the Dac deposit. You can see how small the area is that makes up the 360 Koz Au (10.8Mt @ 1.05 gpt Au) Indicated and 247 Koz Au (8.3Mt @ 0.92 gpt Au) Inferred at Dac. Most of the drilling is relatively shallow so there is lots of potential at depth, especially when we know mines in the Abitibi go to depths to a thousand meters and more. The largest mine in the Abitibi is [Agnico Eagle's LaRonde](#) mine, about 50 kms from CLAR's Destiny and has produced over 6 million ounces and still has 2.9 million ounces of reserves. The current underground mining operation are through the **2.2-km-deep Penna Shaft**, the deepest single-lift shaft in the Western Hemisphere. The LaRonde mine extension ("LaRonde 3") allows access to even deeper ore at the lower part of the ore body. All the high grades hits I quoted on the previous page on **CLAR's Destiny project were at intervals of 222 meters and less. Most drill holes are on angles, so actual depth would be far less.**



CLAR has 3 other projects in BC, but the focus for now is the Destiny project in the Abitibi belt. There is more info on the [web site here](#). The Empirical project had a drill intersect of 21 meters at 3.67 g/t Au. The other two projects have some high grade surface assays.

## Financial

Last Financials show \$790,000 in cash and no long term debt. Since then Clarity completed a first tranche of a non-brokered private placement, issuing 1,563,956 units at a price of 96 cents per unit for gross proceeds of \$1,501,397.76. Each unit consists of one common share in the capital of the company and one-half of one common share purchase warrant. Each warrant is exercisable into one additional share at a price of \$1.25 per share for a period of one year from the closing date. The company expects to close a second tranche shortly. The company is planning a minimum of \$3 million in financing and a maximum of \$9.6 million that will go along way funding the first round of exploration and drilling.

## Conclusion

The stock is cheap and the story not well known yet, an ideal time to buy. This will be an exploration play, but they already have 360 Koz Au (10.8Mt @ 1.05 gpt Au) in the indicated category. At C\$1.20 per share, the value on these indicated ounces is about US\$50 per ounce, not very much for a project in the Abitibi with strong upside potential.

Amex Exploration hit \$4.00 per share within 18 months of their discovery hole. This was a market valuation of about \$310 million. If we assume another financing after this one, for a total than of 30 million shares out, a \$310 million valuation would be about \$10 per share. I think a reasonable target for 2021, with successful drill results would be between \$5 and \$7 per share, If the gold bull market continues and gold prices go higher as I expect, than we could easily see higher prices on the CLAR stock.

The historic drilling means that downside risk is very low. It also means that targets are already well defined and I doubt there will be too much surface exploration before drilling begins. The company has a good handle on the gold zones and their orientation.

I am only showing a 6 month chart because the stock just started trading beginning of July. It has been consolidating between \$1.15 and \$1.30 since October making a good base here. A break above \$1.30 will be a clear sign the stock is going up to the next level. It is probably still in this range because of the \$0.96 financing announced and that will probably close soon. This project will have no trouble getting financed.



Myself and accounts I control own shares in Clarity Gold. Clarity Gold is also a paid advertiser at [plyatocks.net](http://plyatocks.net)

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