

Jay Currie's Motherlode: GR Silver Mining, Renforth Resources & Kestrel Gold

This is a casual column. It is not investment advice. It is about what I have "eyes on" weekly. You might want to take a look. Assume I am invested or would like to be invested in any company I mention. Do your own due diligence and get advice from an investment professional.

Exploration

I like exploration stories. Taking a prospective piece of ground and developing and testing a theory about its precious metals endowment is high risk but, potentially, ultra high reward. A discovery hole may potentially drive a \$0.05 stock to \$1.00 overnight. Here are three companies with very different exploration styles, which I am sharing my review notes with you on today.

GR Silver Mining Ltd.

Marcio Fonseca is a geologist but, for ten years, he worked as an investment banker at McQuarrie. He is acutely aware that there is more to exploration than just finding a deposit. His question, always, "Is it a mine?"

GR Silver Mining Ltd. (TSXV: GRSL | OTCQB: GRSLF) has been exploring the San Rosario District in the state of Sinaloa in Mexico. Beginning with one property which was prospective for silver and gold, Marcio has managed to buy or trade for other properties so that GR Silver is now the dominant concession holder in the district. GR Silver swapped some of its share for land which was held and explored by Keith Neumeyer's First Majestic Silver Corp. Along with maps and sampling data, there were 500 unreported drill holes included in the package. First

Majestic wanted the exploration to continue but also had other priorities. However, Keith was canny enough to take a 19% stake in GR Silver.

GR Silver has an ambitious drilling, trenching and analysis program underway. Marcio expects to have a new 43-101 for the Plomosas Silver Project by the end of the 1st Quarter 2021. This project is turning out to be a polymetallic high-grade Au-Ag-Pb-Zn hydrothermal breccia with excellent gold and silver grades.

Critically, GR Silver has enough exploration work happening that it will have a news flow all through 2021. News flow is the lifeblood of junior exploration stocks. A few good drill holes – and Marcio knows where to look – and GR Silver will grab the market's attention.

Renforth Resources Inc.

Nicole Brewster, CEO of Renforth Resources Inc. (CSE: RFR | OTCQB: RFHRF), is a very practical, matter of fact person with a deadpan humour and an instinct for prospective properties. She was an investment broker for many years and has a sense of what the market is looking for: gold and base metals projects in Quebec.

Nicole scored a coup for Renforth by selling one of its properties, New Alger, to Radisson for shares and cash in 2020. What this sale did, along with making a cash profit for Renforth and giving it exposure to Radisson's success, was to eliminate the need for Renforth to raise money to drill its other properties. The great downfall of explorers is having to raise money selling cheap shares. Avoiding dilution was a key objective for Nicole.

Now the company is drilling its Parbec property, literally next door to the Canadian Malartic mine, the last property along the Cadillac Break which is not owned by a major. This

leads to a steady stream of press releases as core is assayed and new mineralized areas are discovered. The massive Canadian Malartic mine is in the process of transitioning to an underground operation. As it does it will need material to keep its mill operating. Renforth is delineating that material as it de-risks the Parbec property. At the moment it has 281,000 indicated and inferred ounces of gold at Parbec in a pit constrained model. That number will improve with more drilling. The going rate for gold ounces in the ground is around \$100, so a reasonable buyout would be around \$30 million. At \$0.075, Renforth has a market cap of \$18 million.

And that ignores Renforth's Surimeau property which contains a nickel bearing ultramafic, coincident with a copper/zinc VMS over a 5km strike. That property has barely been scratched but a robust drilling program is planned for spring 2021.

With money in the bank, Renforth can drill and assay and report regularly. Eventually, the market will catch on and reward Nicole...

Kestrel Gold Inc.

OK, I admit it, I love the Yukon. I love the land, the people and the Tintina fault. I love the Klondike gold stories and the miles of stones on the drive into Dawson from the airport.

The logic of Yukon gold begins with the placer gold found in the creeks of the Klondike. This is not rocket science: that gold had to come from somewhere and the bet has to be that it rolled down from the hills surrounding the placer creeks. Paul Gray, Victoria Gold's VP Exploration, once told me that his leading indicator for gold was a placer operation in a creek under a hill.

Bernie Kreft knows this. He owns properties all over the Yukon (and in BC) which are very prospective for gold. He put several of them together into Kestrel Gold Inc. (TSXV: KGC). In a Kitco interview in 2018, Bernie said, "Without a doubt,

there's monsters up here hiding,".

Kestrel is doing pure "greenfields" exploration. Its projects have been prospected, there have been samples taken and mapping done on its projects but drilling has been limited. That will change this summer.

For an investor, this is a lottery ticket. Bernie knows three of the six numbers are right. But the last three count for the win. What Kestrel is looking for on its properties is a discovery hole. A drill hole which has good gold grades across a few meters. The geology of each of its properties suggests that there is a greater than zero chance there will be a discovery. The fact that they are surrounded by placer miners boosts that chance.

I'm holding shares because I want to see what the 2021 season brings to Kestrel. They have lined up their shots which takes a lot of ground truthing, soil sampling, trench cutting and sheer hard work. Now Dr. Drill will tell the tale. A well managed company like Kestrel can drill its holes on a vanishingly small budget, and become a moonshot.