

September 7, 2010

A clarion is a medieval trumpet that had clear, shrill tones. Trumpets were often used to get people's attention when making announcements. We are also using "clarion" in the context of making announcements, as well as being thought-provoking when sharing our information and opinions with those people who are interested in new investment ideas.

for your Information

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Topic: Revisitation

Our Topic in the July 26 Clarion featured charts of the S&P500 and the S&P/TSX Composite indexes. We postulated at the time that head-and-shoulders bottom patterns could be forming. This still could be the case for the S&P500, but the Composite has since trended differently (being commodity and energy based). However, the H&S formation for the S&P 500 (the DJIA is similar) has changed shape, still a head-and-shoulders, but in a different form than what it was when it was nearing the end of July.

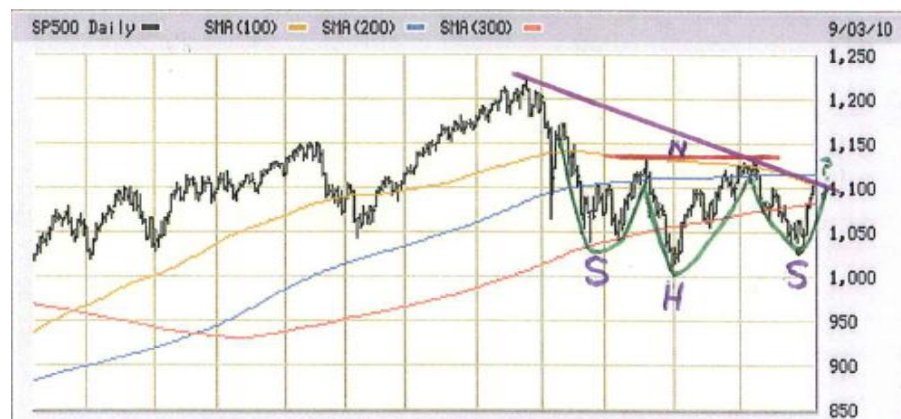
The Index may not have fallen enough from its high, but could we be facing a Head&Shoulders Bottom??? (As opposed to media reports of an impending H&S Top).

Left (double) Shoulder starts at 1,175, bottoms at 1,040, and ends at 1,130.

Head starts at 1,130, bottoms at 1,010, and ends (after a couple of bumps on the noggin along the way) at 1,130.

Right Shoulder starts at 1,130, bottoms at 1,040, and ends at ???

Neckline runs perfectly horizontal across 1,130.



If this does turn out to be a valid H&S formation (it has to be confirmed by reaching and breaking through 1,175), then the upside potential is the count from the neckline to the bottom of the head, or about 90 points, which would bring it back to the previous high of 1,220. And, how about this coincidence??? That is exactly where the 200-day Moving Average and the Downtrend Line intersect. That point will prove either to be Resistance or a Break-through.

Bob Weir, CFA, Managing Director, Research Services

Quick Facts

One Year Chart (SDR)



Source: www.bigcharts.com

Price (Sep. 7/10):

\$0.06

52-Week High-Low:

\$0.115 - \$0.03

Average Daily Volume:

50-day: 71,800

200-day: 147,500

Shares Outstanding:

151.21 million

Market Capitalization:

\$9.07 million

Year-End:

December 31

Symbol: TSX-V: SDR

Website:

www.stroudresourcesltd.com

Stock-of-the-Week

Stroud Resources Ltd. (SDR: TSX-V)

Stroud Resources Ltd. is a Canadian mineral exploration and development company with properties in two mining-friendly jurisdictions: northern Ontario (gold), and Mexico (silver/gold). Stroud also has a 3.75% interest in six natural gas and natural gas condensate wells in Alberta, which provide the Company with cash flow which is used for covering a substantial portion of its operating expenses.

The Company owns a 100% interest in the Santo Domingo epi-thermal silver-gold project in central Mexico, and has an option to acquire a 100% interest in the Santa Cruz silver project, also in Mexico. Stroud's assets also include 100% interests in the following Ontario properties; (1) the Hislop gold property, near Timmins; and (2) the Leckie gold property near Temagami (close to North Bay).

Like so many junior mining exploration companies, Stroud requires continual financing. The Company has two options: (1) Return to the capital markets for fresh funds, a somewhat difficult undertaking for junior mining exploration companies under current economic conditions; and/or (2) Find a suitable joint-venture partner, or partners, to provide funds in return for an ownership interest in one or more of its projects.

Despite the termination of discussions with Laurion Mineral Exploration with regards to the Company's Leckie Lake property, we still expect Stroud to come to an agreement with a Third Party on either, or both, of its 100%-owned Ontario gold properties: Leckie Lake and Hislop.

This will allow management to focus on its Mexican silver-gold properties. Key is Santo Domingo, which has a NI 43-101 Technical Report that provided a resource estimate of 15.05 million oz, silver-equivalent, of Measured and Indicated Resources, and 10.68 million oz, silver-equivalent, of Inferred Resources. Management believes there is potential to double this resource. If so, the shares are substantially undervalued at current levels.

Our intrinsic value estimate range is \$0.17-\$0.26 per share, from which we choose a 12-month Target Price for Stroud Resources Ltd. of \$0.20 per share.

Stroud's stock price could significantly outperform our intrinsic values IF:

- (1) The Company raises necessary exploration funds;
- (2) It has success with the drill bit and significantly increases its resource estimate; and
- (3) It secures a suitable joint-venture partner(s) for one, or more, of its projects.

Additional information on Stroud Resources Ltd. is provided on our website:

<http://www.eresearch.ca/profile.asp?companyID=563>

**New eResearch
Material Since
August 26, 2010:**

1. Initiating Reports

[OneMove
Technologies Inc.](#)
09/02/2010

[Minaean
International Corp.](#)
08/27/2010

[Reko International
Group Inc.](#)
08/26/2010

**2. Update Reports
and Bulletins**

[Botswana Metals](#)
09/02/2010

[Aptilon
Corporation](#)
09/01/2010

[Stroud Resources](#)
08/31/2010

3. Analyst Articles

[Stock Market
Timing](#)
08/31/2010

[O B Research](#)
Coming of QE 2.0
08/31/2010

In addition to these reports and articles, our full complement of research is available at www.eresearch.ca

BriefCase

NewsBytes from August 30 – September 3, 2010

Additional information on the companies featured in NewsBytes may be found at www.sedar.com, and at www.eresearch.ca.

For the latest eResearch publications, see sidebar opposite.

SLAM Exploration Ltd. (\$0.10 - August 30, 2010; SXL-TSX-V) SLAM and Beatrix Ventures have announced final gold assays from all four diamond drill holes completed on Zone 12 of the Opikeigen gold joint venture at Fort Hope in northwestern Ontario. Hole OG10-03 intersected 12.70 g/t gold over 0.55 metres, within a 50.8-metre interval grading 0.36 g/t gold. Hole OG10-04, drilled 12.5 metres east of OG10-03, intersected two intervals grading 5.05 g/t gold over 2.3 metres and 1.44 g/t gold over 4.26 metres, respectively. These occur within a 75.3-metre core interval grading 0.43 g/t gold starting at 180 metres. Gold assays for all four drill holes are detailed in SLAM's August 30, 2010 news release.

Burcon NutraScience Corporation (\$9.25 - August 30, 2010; BU-TSX) The U.S. Food and Drug Administration (FDA) has issued a "no-objection" letter with respect to Burcon's Puratein and Supertein canola protein isolates. This indicates that the FDA has no objection to the conclusion that Puratein and Supertein are "Generally Recognized as Safe" (GRAS) among qualified experts for use alone or together as an ingredient in dairy products, grain products, fruit and vegetable juices and beverages, salad dressings, meal replacements, and nutritional bars.

Advanced Explorations Inc. (\$0.205 - August 31, 2010; AXI-TSX-V/AE6-Frankfurt) Advanced Explorations announced that XinXing Pipes Group Co., Ltd. (XXP) of China had completed its initial Roche Bay project review/site visit, and has committed to finalizing negotiations for a formal agreement by October 15, 2010. The basis of the agreement is a process by which XXP can acquire a substantial direct or indirect interest in the project in exchange for technical and financial support to ensure Advanced Explorations' development of the project.

Serenic Corporation (\$0.36 - September 1, 2010; SER-TSX-V) Serenic's *Navigator* non-profit accounting software has been implemented by 13 customers in Africa over the past year, with the help of a partner Techno Brain Ltd., one of the leading IT solutions and training companies in Africa.

Augen Gold Corp. (\$0.185 - September 2, 2010; GLD-TSX-V) Augen Gold announced the first closing of a brokered private placement financing comprising (i) 1,110,000 flow-through units at \$0.22 per flow-through unit for gross proceeds of \$244,200, and (ii) 3,070,000 units at \$0.17 per unit for gross proceeds of \$521,900. Total gross proceeds were \$766,100. Augen Gold plans to complete further closings for aggregate gross proceeds of \$2,000,000.

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Opportunity Knocks

Business Development personnel wanted.

We are interested in adding one or two additional business development people to our team. Anyone with a penchant for sales, please contact us.

If you are interested in becoming part of our sales team, I can be reached at bweir@ereseach.ca.

“Research is the
bedrock underpinning
all capital markets”

Monthly Top Ten

(Includes reports and articles only)

The top ten downloads from www.ereseach.ca since August 9, 2010:

1. InvestmentU, Analyst Article, Soaring Wheat Prices, August 12
2. Warnex Inc., **StockPotentials** Perspective, August 20
3. Burcon NutraScience Corporation, **StockPotentials**, July 29
4. OB-Research, Gold Article, August 13
5. Antioquia Gold Inc., Perspective, August 13
6. OB-Research, Jaguar Mining, August 16
7. Potash Corp. of Saskatchewan, **Technicalities** Update, August 12
8. Aptilon Corporation, **StockPotentials**, August 10
9. Stroud Resources Ltd., Update Report, August 31
10. Golden Dory Resources Corp., Perspective, August 17

Bi-Weekly Top Five

(Includes reports and articles only)

The top five downloads from www.ereseach.ca since August 23, 2010

1. Warnex Inc., **StockPotentials** Perspective, August 20
2. Stroud Resources Ltd., Update Report, August 31
3. Botswana Metals Limited, Perspective, September 3
4. OneMove Technologies Inc., **StockPotentials**, September 2
5. Augen Gold Corp., Perspective, August 26