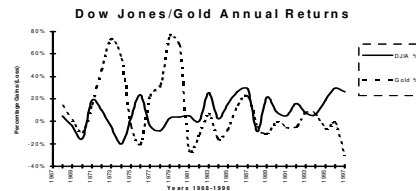




Gold

Energy & Tech Stocks



Weekly Hotline Message (Now in our 38th Year) October 25, 2019

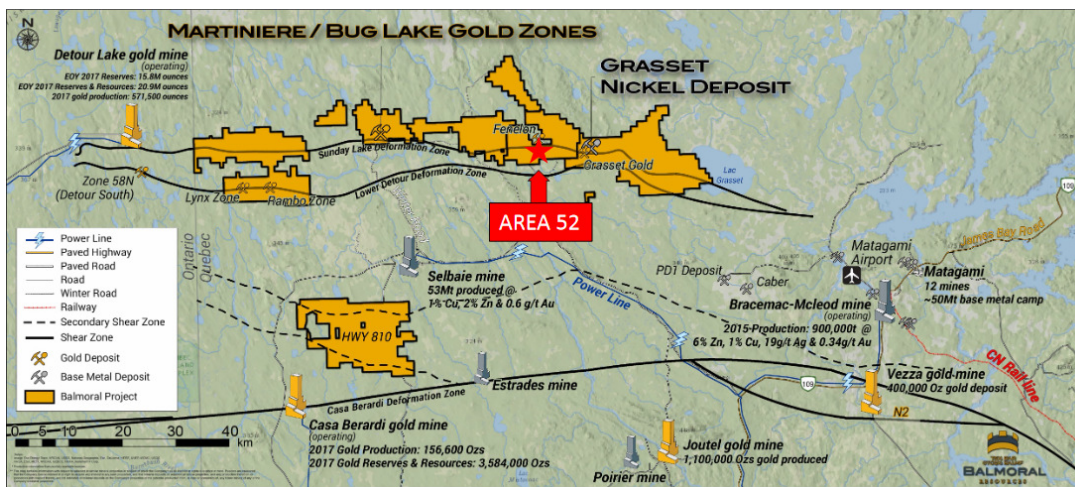
Review & Update:

Balmoral Resources Ltd.

Balmoral Resources (151,001,811 shares @ C\$0.16 = C\$24 million market cap) – We recently highlighted an exciting gold



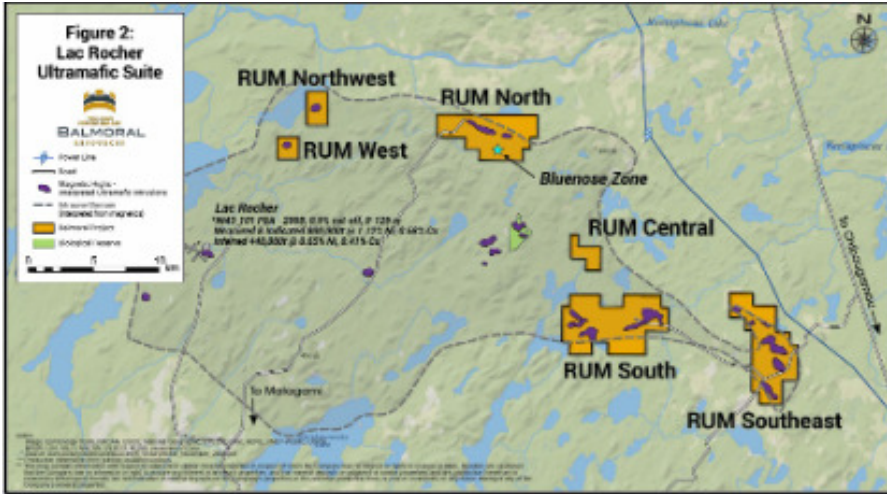
discovery on the company's Area 52 gold project on its Fenelon Property in Quebec. There it achieved multiple objectives, highlighted by the discovery of a new, near-surface, high-grade gold zone located proximal to the Sunday Lake deformation zone. Hole A52-19-03 intersected a 9.65-meter-wide zone of anomalous gold mineralization averaging 5.00 grams per tonne gold, centered around a high-grade interval of 3.29 meters grading 14.03 g/t gold. That is most certainly what has renewed my interest in this story, but we should not forget the company's dominance in the nickel exploration and discovery space. And if Michael Oliver is right regarding his views that the entire commodity complex is nearing a bull market, this company with its sizeable and growing nickel reserve may provide some very dramatic upside for its shares.



As it was exploring for gold a few years back, Balmoral discovered the Grasset Nickel Deposit in Quebec. Based on 2016 resource calculation, the Grasset Project in Quebec already has an Indicated resource estimate that was completed in 2016 of 3.5 million tonnes grading 1.56% nickel, 0.17% copper, 0.03% cobalt, 0.34g/t platinum, 0.84 g/t palladium. The deposit is open to depth and along strike for further expansion.

Following this discovery and a view that nickel was going to be in short supply in the years ahead, Management made a decision to endeavor to become the dominant nickel exploration company in North America. And so it began to stake huge tracts of land along what is known as the Grasset Ultramafic Complex, which is an ideal belt of rocks trending northwest/southeast in Quebec where the Grasset discovery was made. At least seven nickel zones have been discovered northeast of the initial Grasset discovery. Those remain to be explored further when the time is right. The map above shows the location of Area 52, which is the exciting new gold discovery. The Grasset Gold Discovery shown on the map is in the vicinity of the Grasset Nickel Discovery.

On October 21, Management announced that it has expanded its nickel sulphide portfolio with confirmation of precious metals rich nickel discovery at its **Blunose, Rum Project** in Quebec. The group of RUM nickel targets is located to the northeast of



The RUM Nickel Project comprises six properties located in the Lac Rocher Nickel District of Quebec, northwest of Chibougamau. The properties were staked by Balmoral in 2018 and expanded in 2019, and cover a series of proven and interpreted ultramafic intrusions which host, or have the potential to host, Ni-Cu-PGE mineralization similar to that seen at the nearby Lac Rocher Nickel Deposit and in the Lynn Lake Nickel Camp of Manitoba. There was no recorded exploration work on five of the six properties prior to Balmoral’s successful 2019 programs. 2018 airborne surveying outlined several EM anomalies which are spatially associated with interpreted ultramafic

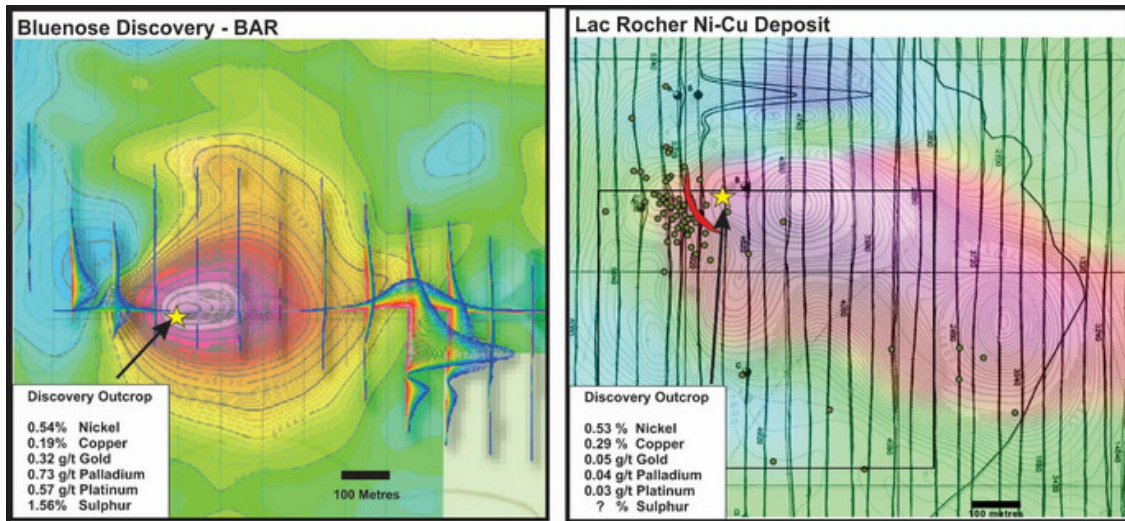
intrusions. A single day of mapping and prospecting with very limited outcrop discovered nickel sulphide mineralization in outcrop (RUM North – Bluenose Zone) at over 1.1% NiEq (0.54% nickel) with elevated gold and PGEs, proximal to untested electro-magnetic conductors.

Sample Number	Ni %	Cu %	Co ppm	Au g/t	Pt g/t	Pd g/t	ΣE g/t	S %
I101851	0.44	0.21	0.02	0.16	0.50	0.56	1.23	1.06
I101852	0.43	0.16	0.02	0.18	0.51	0.71	1.39	1.10
I101853	0.28	0.17	0.01	0.06	0.29	0.28	0.64	0.63
I101854	0.31	0.16	0.02	0.07	0.29	0.46	0.81	0.80
I101855	0.22	0.50	0.01	0.16	0.70	0.81	1.66	0.81
I101856	0.20	0.05	0.01	0.01	0.09	0.13	0.23	0.31
I101857	0.24	0.20	0.01	0.10	0.39	0.39	0.87	0.61
I101858	0.38	0.23	0.02	0.15	0.35	0.51	1.00	0.96

It was less than three months ago (July 30, 2019) that Balmoral announced the first indications of nickel sulphide mineralization on its RUM projects. The news put out by the company on October 21 reported assays from stripping and sampling outcrop that significantly expands the Bluenose Nickel-Copper-Gold-PGE Zone and has confirmed the precious metal rich nature of this new nickel sulphide discovery as you can see from the table on your left.

The Bluenose, which along with all the RUM targets, is 100% owned in the Lac Rocher Nickel District of Quebec. Bluenose is one of 16 untested magmatic nickel sulphide targets recently acquired by Balmoral in the Lac Rocher district.

Bluenose Nickel-Copper-Gold-Platinum-Palladium Zone



Mapping of the stripped and washed discovery outcrop at Bluenose has outlined clear magmatic zoning/layering within the host intrusion. Disseminated sulphide mineralization occurs throughout the outcrop with 5-to-50-cm-wide bands of more concentrated nickel / copper / gold/PGE-bearing sulphide mineralization occurring at the contact between

individual magmatic layers.

The figure above compares the geophysical anomalies and discovery sample results from Balmoral's Bluenose Discovery to those from the Lac Rocher Nickel-Copper Deposit located 25 km to the southwest. The Bluenose Discovery exhibits nickel and copper grades similar to those observed on surface at Lac Rocher, but with a significantly higher precious metal content (gold, platinum, and palladium). Drilling of low-level electromagnetic anomalies at Lac Rocher intersected massive nickel-copper sulphide mineralization, which returned grades of 7% to 11% nickel. Similar—but stronger—untested EM anomalies flank the Bluenose intrusion proximal to the new discovery.

Mapping has also identified a previously unknown mafic/ultramafic intrusion on the recently staked RUM Northwest Property. This is the sixth new intrusion identified by Balmoral in the district, with the majority of the other magnetic targets recently staked by the company being completely covered by overburden. Once final results are received from the recently completed channel sampling program, Balmoral will look to undertake additional ground geophysical work on several of the RUM targets, including Bluenose, prior to initial drill testing.

Pay Attention to Balmoral!

The RUM Project is one of three, district scale nickel sulphide projects wholly owned by Balmoral. The company's Grasset Ultramafic Complex Project in west-central Quebec hosts the multimillion-tonne, high-grade Grasset Ni-Cu-Co-PGE Deposit and recently discovered high-grade GUC Central Zones.

In Ontario the company controls the Gargoyle Ni-Cu-PGE Project, which features a new, 1,000+ meter long nickel sulphide discovery. This outcropping discovery is intimately associated with an extensive series of EM anomalies, none of which has ever been drill tested.

There are never any guarantees in the junior exploration space, but I believe this company, which has been around for a while, is being largely ignored at a time in its history when things are looking more promising than ever. It is having significant success in both gold and nickel exploration at a time when both metals are entering bull market. In this letter, I often write about gold's bullish prospects, but it is also important to provide a word about nickel. Inventories are at multi-year lows, and nickel prices near multi-year highs. Balmoral's nickel project portfolio provides exposure to a suite of active, high-grade resource to discovery stage nickel sulphide opportunities in Canada, including the Grasset Deposit, which is the largest, high-grade, open-ended nickel resource in Canada's Abitibi region. And keep an eye on the Area 52 gold discovery. Could Balmoral be on to another Detour-like deposit? Very possibly. And if so, Balmoral won't be a \$20 million market cap company for long.

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