

VANCOUVER, BC--(Marketwired - May 25, 2016) - [Balmoral Resources Ltd.](#) ("Balmoral" or the "Company") (TSX: BAR) (OTCQX: BALMF) today reported the Company has entered into a Letter of Intent (the "LOI") to sell its interest in the Discovery Zone Property (the "Property"), a 10.5 square kilometre subdivision of the current, larger Fenelon Property, to [Wallbridge Mining Company Ltd.](#) ("Wallbridge") (TSX: WM). The Fenelon Property forms part of Balmoral's 700+ square kilometre Detour Trend Project located in west-central Quebec.

Under the terms of the LOI Balmoral will receive an immediate payment of 2,381,575 common shares of Wallbridge, cash payments totaling either \$3.4 or \$3.5 million dollars over the next 60 to 120 days (see details below), and will retain a 1% Net Smelter Return Royalty ("NSR") on all future production from the Property.

The benefits of the sale, should it be completed, to the shareholders of Balmoral include:

- Near term, dilution free, infusion of \$3.4-3.5 million "hard" dollars from the sale of a non-core, inactive asset; which if spent on exploration on the Company's Detour Trend Project would be eligible for a 28% tax credit to the Company through current exploration incentive programs in Quebec.
- "Up-side" leverage to future exploration activities on the Discovery Zone Property, and the other activities of Wallbridge, through a share position in Wallbridge. The 2,381,575 shares represent approximately 1.3% of the currently issued and outstanding shares of Wallbridge.
- Potential for future cash flow through the retained 1% NSR on the Discovery Zone Property
- Potential for near term enhancements to the local infrastructure network proximal to the Company's Grasset Nickel-Copper-Cobalt-PGE deposit and recent gold discoveries

The Discovery Gold Zone was last targeted by the Company in 2011. The Zone has currently flooded but established underground ramp access and was bulk sampled in 2004 by previous operators. Over 50,000 metres of surface and underground drilling has defined a number of narrow, but high-grade, gold mineralized veins from the bedrock surface to a depth of approximately 250 vertical metres. Additional details on the Fenelon Property and the Discovery Zone are available on the Company's website at [www.balmoralresources.com](http://www.balmoralresources.com).

"We are pleased to have found a group with a background of safe and environmentally responsible project management to potentially move the Discovery Zone forward," said Darin Wagner, President and CEO of Balmoral. "The funds acquired in this transaction will support our on-going efforts to delineate and expand the nearby Martiniere Gold System and our continued exploration efforts throughout the Detour Trend Project area."

The Discovery Zone Property being sold does not include any portion of the Grasset Ultramafic Complex, which hosts the Grasset deposit, nor does it cover any of the projected extension of the Sunday Lake Deformation Zone through this portion of the Company's land holdings. Both of these highly prospective target environments will be retained by Balmoral (See Figures 1 and 2).

The LOI outlines the terms of the proposed transaction which are as follow, for reference the LOI Date is May 24, 2016:

- Wallbridge shall immediately upon receipt of TSX approval, issue to Balmoral that number of common shares in the capital of Wallbridge as is equal to \$200,000 based on the 20 day volume weighted average trading price of Wallbridge's common shares in the 20 days immediately prior to market close on May 20, 2016; said payment equalling 2,381,575 common shares of Wallbridge. The shares issued will be subject to standard 4 month hold provisions.
- The parties shall, using their respective best efforts, prepare a purchase agreement (the "Purchase Agreement") to confirm and expand on the terms outlined in the LOI. It is the intention of the parties that the Purchase Agreement shall be signed within 60 days of the LOI Date.
- Under the terms of the LOI the purchase price for the Property, if paid by Wallbridge to Balmoral within 60 days of LOI Date, will be \$3,400,000 cash.
- Should Wallbridge not be in a position to make the required cash payment within 60 days of the LOI Date the cash purchase price will increase to \$3,500,000. Wallbridge may extend the final deadline for payment to 120 days from the LOI Date by making two non-refundable cash payments to Balmoral of \$500,000 each on or before the 60<sup>th</sup> and 90<sup>th</sup> day from the LOI Date. Both payments will form part of the final purchase price.
- Should the Purchase Agreement not be completed and/or the purchase payment(s) not be received by Balmoral under the terms outlined above then the LOI and/or the Purchase Agreement (if completed) shall automatically terminate. Upon termination of the LOI and/or Purchase Agreement Wallbridge will retain no interest in the Property and Balmoral will be entitled to retain any payments previously received under the terms of the LOI and/or Purchase Agreement.
- In all cases Balmoral shall retain a 1% NSR on any future production from the Property.

Mr. Darin Wagner, P.Geo, the President and CEO of the Company has acted as the non-independent Qualified Person for the technical information contained herein. Mr. Wagner has visited the Fenelon and Discovery Zone Properties on multiple occasions, supervised the most recent drilling programs on the Property and reviewed the available historical technical information from the Property.

Balmoral is a well-funded, Canadian-based company actively delineating and expanding the high-grade Bug Lake Gold Trend on its wholly owned, 700 square kilometre Detour Trend Project in Quebec, Canada. The Detour Trend Project also hosts Balmoral's Grasset Ni-Cu-Co-PGE deposit and a number of other nearby nickel sulphide occurrences. Employing an award winning exploration team, Balmoral has a philosophy of creating value through the drill bit. By focusing our efforts in proven productive precious/base metal belts in one of the world's pre-eminent mining jurisdictions, Balmoral is following an established formula with a goal of maximizing shareholder value through discovery and definition of high-grade, Canadian gold and base metal assets.

On behalf of the board of directors of

BALMORAL RESOURCES LTD.

"Darin Wagner"

President and CEO

*This press release contains forward-looking statements and forward-looking information (collectively, "forward looking statements") within the meaning of applicable Canadian and United States securities laws. All statements, other than statements of historical fact, included herein, including statements regarding the anticipated content, commencement, duration and cost of exploration programs, anticipated exploration program results, the discovery and delineation of mineral deposits/resources/reserves, the timing of the receipt of assay results, and business and financing plans and trends, the potentially open nature of the mineralized zones on the property and the potential for future discoveries of additional mineralization on the property are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions or are those which, by their nature, refer to future events. Although the Company believes that such statements are reasonable, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements. Important factors that could cause actual events and results to differ materially from the Company's expectations include those related to weather, equipment and staff availability; performance of third parties; risks related to the exploration stage of the Company's projects; market fluctuations in prices for securities of exploration stage companies and in commodity prices; and uncertainties about the availability of additional financing; risks related to the Company's ability to identify one or more economic deposits on the properties, and variations in the nature, quality and quantity of any mineral deposits that may be located on the properties; risks related to the Company's ability to obtain any necessary permits, consents or authorizations required for its activities on the properties; and risks related to the Company's ability to produce minerals from the properties successfully or profitably. Trading in the securities of the Company should be considered highly speculative. All of the Company's public disclosure filings may be accessed via [www.sedar.com](http://www.sedar.com) and readers are urged to review these materials, including the latest technical reports filed with respect to the Company's mineral properties.*

*This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.*

Image Available:

[http://www.marketwire.com/library/MwGo/2016/5/25/11G099933/Images/Quebec\\_Claims\\_Map\\_May\\_24\\_2016-5457ec4fef37a7f7a4](http://www.marketwire.com/library/MwGo/2016/5/25/11G099933/Images/Quebec_Claims_Map_May_24_2016-5457ec4fef37a7f7a4)

Image Available:

[http://www.marketwire.com/library/MwGo/2016/5/25/11G099933/Images/Grasset\\_Trend\\_Fenelon\\_Aquisition\\_May\\_2016-92fb49bdb](http://www.marketwire.com/library/MwGo/2016/5/25/11G099933/Images/Grasset_Trend_Fenelon_Aquisition_May_2016-92fb49bdb)

Contact

For further information contact:

John Foulkes

Vice-President, Corporate Development

Tel: (604) 638-5815 / Toll Free: (877) 838-3664

E-mail: [jfoulkes@balmoralresources.com](mailto:jfoulkes@balmoralresources.com)

1750 -700 West Pender Street

Vancouver, B.C. V6C 1G8

Tel: 604-638-3664

Toll-free: 1-877-838-3664

Fax: 604-648-8809

[www.balmoralresources.com](http://www.balmoralresources.com)

BAR NR16-09