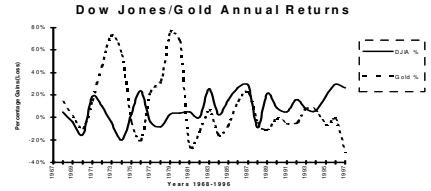




Gold

Energy & Tech Stocks



Weekly Hotline Message (Now in our 29th Year) May 28, 2010

Stock Pick of the Week

Yale Resources Ltd.



Business: Exploring for gold and silver in Mexico by employing the prospector generator model

Traded Toronto:	YLL
Pink Sheets:	YRLLF
Cash (Approximately):	\$500,000
Shares Outstanding:	66.7 Million
Recommended Feb. 26, 2010	\$0.053
Price 5/25/10	\$0.062
Market Cap:	\$4.1 Million
Progress Rating:	"C"
Telephone:	604-678-2531
Web Site:	www.yaleresources.com

This stock was first brought to my attention by my research partners at *Jay's Watch List*—namely, Mark Weaver and Kal Kotecha. As clients of *Jay's Watch List*, companies are afforded the opportunity to tell their story to me on my radio show at www.JayTaylorMedia.com.

In the case of Yale Resources Ltd., I initially recommended this stock back on Feb. 26 at \$0.053 and I began buying it aggressively this past week after listening to the company's president & CEO, Ian Foreman, during a second interview this past week. My average purchase price has been \$0.064 cents.

- Los Amoles Property - 100 % Yale - Ag + Au + Pb
- Dos Naciones Property - 100 % Yale - Cu + Ag + Zn + Au - **Optioned to Candev**
- Orofino Project - 100 % Yale - Au + Ag
- Urique Project - 100 % Yale - Ag + Au - **Optioned to American Sierra**
- La Verde Project - 100 % Yale - Cu + Ag + Zn + Au
- Carol Property - 100% Yale - Cu + Zn
- Guadalupe Property - 100% Yale - Ag (+/- Au, Pb and Zn) - **Optioned to Silver America**

- Seven projects with multiple historic mines
- Three projects under option
- New silver-gold project (Los Amoles)
- Near term production potential at La Verde

YLL-TSX.V WWW.YALERESOURCES.COM

Interview Link: <http://www.voiceamerica.com/voiceamerica/vepisode.aspx?aid=46465>

I initially recommended this stock because (a) it had a host of promising targets; (b) it was employing the prospect generator model; and (c) it was bloody cheap. As I said, I really became more excited about this stock and began

buying it aggressively for my own IRA account this past week when it became apparent to me that the probability that high-grade drill results should, over the coming weeks and months, begin to drive this stock much, much higher. I think the chances of seeing this stock reach \$0.25 or \$0.30 within the next year against our recommendation price of \$0.053 are better than 50%. Of course, there are never any guarantees in this business. What looks promising can be deemed lackluster or worse by the drill rig (aka the truth machine). But what I really like about this story are the following factors: (a) recent, very promising high-grade silver and gold surface showings; (b) several different promising properties to develop; (c) cash being delivered to the company by its joint venture partners; and (d) Yale remains the operator on the properties even though its joint venture partners put up the high-risk capital to fund exploration.

Specifically, the following points made by Mr. Foreman stand out as offering considerable promise of success longer term for shareholders:

- The following surface assays from recent work carried out on the Guadalupe Mine in Mexico
 - 1 gram/tonne gold and 946 grams/tonne silver over 1.1 meters at the Guadalupe Mine
 - From a mineralized dump, 0.30 g/t Au and 622.0 g/t Ag
 - Over 0.7 meters, 0.50 grams/tonne gold and 330 grams/tonne silver
 - From a mineralized dump, 5.35 grams/tonne gold and 1,189 grams/tonne silver
- Yale's joint venture partner, Silver America, has to pay Yale \$900,000 and issue one million shares in increasing payments every six months over the four-year earn-in period, and spend \$2 million on exploration. Yes, Silver America can earn 90% in the Guadalupe Mine, but Yale gets to keep 10% and earn a 2% NSR on future production, without diluting shareholder interest. But with the property containing two historical mines that extend to at least 270 meters in depth, and with 30 small shafts and workings located thus far, the potential to uncover a significant mine by using modern exploration technology is certainly good. Keep in mind that this property is located in the heart of some of the most outstanding mines in Mexico, such as the Fresnillo Mine, and is near MAG Silver's Juanicipio Mine and, coupled with known silver and gold mineralization, suggests the potential for a major discovery. That could send these shares into orbit. These values at surface, combined with the known depth of the workings, suggest that these vein systems have the potential to continue to much greater depths, as is the case at the Fresnillo Mine (the world's richest underground silver mine at 900 vertical meters) located approximately 9 kilometers to the south, as well as at the Juanicipio Joint Venture (with intervals at a depth of 800 meters) located 11 kilometers to the southwest.
- Recent assays from the company's initial field program on the **Los Amoles Property** show considerable promise. On April 15, the company announced surface samples that graded up to 333.4 grams/tonne silver over 90 centimeters on this 1,630-hectare (16.3-sq.-kilometer property). Only 25 samples were gathered in this initial field program, concentrating within the Mina Rosales area, which measures approximately 3 kilometers by 1.1 kilometer, where some 30 historic workings have taken place. The Mina Rosales area coincides with a regional magnetic anomaly. In addition, the entire area forms a large color anomaly, which is indicative of the oxidation of metals.

As with many projects in Mexico that have seen small-scale production from high-grade veins, most of the historic workings have mineralized dumps located nearby. The quickest method of evaluating an area is to sample these dumps, as they tend to be the low-grade material that has been left behind. At Los Amoles within the Mina Rosales area, Yale personnel sampled mineralized dumps from 16 workings within an area measuring 1.0 by 2.5 kilometers.

We mentioned only two of the company's seven promising mining prospects in Mexico and these may not be the most promising of the seven. Look for management to bring on more joint venture partners in the weeks and months to come, to begin funding exploration on the following targets:

- The **Orofino Project** has had many ore grade samples taken, including 3.97 grams gold over 9.14 meters by Mineral Tech and from where there was historic production from at least six open pits.

