ANNUAL INFORMATION FORM

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2017

TSX: BAR
OTCQX: BALMF
BALMORAL
RESOURCES

Suite 1750 – 700 West Pender Street
Vancouver, British Columbia
V6C 1G8

March 29, 2018

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PRELIMINARY NOTES

Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form ("**AIF**") of Balmoral Resources Ltd. (the "**Company**" or "**Balmoral**") are the following documents:

(a) Audited Financial Statements of the Company for the years ended December 31, 2017 and 2016 ("**Financial Statements**");

(b) Management Discussion and Analysis of the Company for the year ended December 31, 2017 dated March 22, 2018 ("**MD&A**");

(c) Technical report with an effective date of January 12, 2016, entitled "Technical Report and Mineral Resource Estimate for the Ni-Cu-PGE Grasset Deposit" prepared by Mr. Pierre-Luc Richard (P.Geo., M.Sc.) and Mr. Bruno Turcotte (P.Geo.) of InnovExplo Inc. (the "**Grasset Report**"); and

(d) Technical report with an effective date of March 29, 2018, entitled "2018 Technical (N.I. 43-101) Report on the Martiniere Property" prepared by Mr. Ronald J. Voordouw (P.Geo.) of Equity Exploration Consultants Ltd. ("Equity") and Mr. Marc Jutras (P.Geo.) of Ginto Consulting Inc. (the "**Martiniere Report**");

copies of which may be obtained online from SEDAR at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

All financial information in this AIF has been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

Date of Information

All information in this AIF is as of December 31, 2017, unless otherwise indicated.

Currency and Exchange Rates

All dollar amounts in this AIF are expressed in Canadian dollars unless otherwise indicated. The Company's accounts are maintained in Canadian dollars and the Company's financial statements are prepared in accordance with IFRS. All references to "U.S. dollars", "USD" or to "US$" are to United States dollars.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate of exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

	Year Ended December 31		
Canadian Dollars to U.S. Dollars	**2017**	**2016**	**2015**
Rate at end of period	USD 0.7971	USD 0.7448	USD 0.7225
Average rate for period	USD 0.7708	USD 0.7548	USD 0.7820
High for period	USD 0.8245	USD 0.7972	USD 0.8527
Low for period	USD 0.7276	USD 0.6854	USD 0.7148

Metric Equivalents

For ease of reference, the following factors for converting imperial measurements into metric equivalents are provided:

To convert from Imperial	To metric	Multiply by
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

1 mile = 1.609 kilometres
1 acre = 0.405 hectares
2,204.62 pounds = 1 metric ton = 1 tonne
2000 pounds (1 short ton) = 0.907 tonnes
1 ounce (troy) = 31.103 grams
1 ounce (troy)/ton = 34.2857 grams/tonne

Terms used and not defined in this AIF that are defined in National Instrument 51-102 “Continuous Disclosure Obligations” shall bear that definition. Other definitions are set out in National Instrument 14-101 “Definitions”.

Forward-Looking Statements

This AIF contains forward-looking statements and forward-looking information (collectively, “**forward-looking statements**”) within the meaning of applicable Canadian and U.S. securities legislation. These statements relate to future events or the future activities or future performance of the Company. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate, plans and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company’s strategies, objectives, plans and expectations, both generally and specifically in respect of its mineral properties;
- the timing of decisions regarding the commencement/completion and costs of exploration programs with respect to, and the issuance of the necessary permits and authorizations required for, the Company’s exploration programs on its properties;

- the timing and cost of future planned exploration programs at the Company's properties and the timing of the receipt of results therefrom;

- the Company's future cash requirements;

- the Company's expectations that its joint venture partners will be able to advance projects in a timely manner and finance their contributions;

- general business and economic conditions; and

- the Company's ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company's ability to predict or control, including, but not limited to, risks related to the Company's inability to identify one or more economic deposits on its properties, variations in the nature, quality and quantity of any mineral deposits that may be located on its properties, variations in the market price of any mineral products the Company may produce or plan to produce, the Company's inability to obtain any necessary permits, consents or authorizations required for its activities, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under "Risk Factors".

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this AIF. Such statements are based on a number of assumptions which may prove incorrect, including, but not limited to, assumptions about:

- the Company's future cash requirements, and the ability of the Company to raise the funding necessary to carry out its planned work programs and meet its general and administrative expenses beyond the fiscal year ending December 31, 2018;

- the level and volatility of the price of commodities, gold and nickel in particular;

- general business and economic conditions;

- the timing of the receipt of regulatory and governmental approvals, permits and authorizations necessary to implement and carry on the Company's planned exploration programs and those of its joint venture partners (if applicable);

- conditions in the financial markets generally and with respect to prospects for junior gold and base metal exploration companies specifically;

- the Company's ability to secure the necessary consulting, drilling and related services and supplies on favourable terms;

- the Company's ability to attract and retain key staff;

- the nature and location of the Company's mineral exploration projects, and the timing of the ability to commence and complete the planned exploration programs;

- the anticipated terms of the consents, permits and authorizations necessary to carry out the planned exploration programs at the Company's properties and the Company's ability to comply with such terms on a safe and cost-effective basis;

- the ongoing relations of the Company with its joint venture partners, the applicable government and regulatory agencies and First Nations;

- the legal and regulatory framework of the jurisdictions in which the Company is operating and exploring;

- that the metallurgy and recovery characteristics of samples from certain of the Company's mineral properties are reflective of the deposit as a whole; and

- the ability of the Company to convert mineral resources on its properties to mineral reserves.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

Cautionary Note Regarding References to Resources and Reserves

This AIF contains information regarding current mineral resources on the Company's properties. National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") is a set of requirements developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Unless otherwise indicated, all resource estimates contained in or incorporated by reference in this AIF have been prepared in accordance with NI 43-101 and the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resource and Mineral Reserves, adopted by the CIM Council on November 14, 2004 (the "CIM Standards") as they may be amended from time to time by the CIM.

United States shareholders are cautioned that the requirements and terminology of NI 43-101 and the CIM Standards differ significantly from the requirements and terminology of the SEC set forth in the SEC's Industry Guide 7 ("SEC Industry Guide 7"). Accordingly, the Company's disclosures regarding mineralization may not be comparable to similar information disclosed by companies' subject to SEC Industry Guide 7. Without limiting the foregoing, while the terms "mineral resources", "inferred mineral resources", "indicated mineral resources" and "measured mineral resources" are recognized and required by NI 43-101 and the CIM Standards, they are not recognized by the SEC and are not permitted to be used in documents filed with the SEC by companies' subject to SEC Industry Guide 7. Mineral resources which are not mineral reserves do not have demonstrated economic viability, and US investors are cautioned not to assume that all or any part of a mineral resource will ever be converted into reserves. Further, inferred resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or any part of the inferred resources will ever be upgraded to a higher resource category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of a feasibility study or prefeasibility study, except in rare cases. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit amounts. The term "contained ounces" is not permitted under the rules of SEC Industry Guide 7. In addition, the NI 43-101 and CIM Standards definition of a "reserve" differs from the definition in SEC Industry Guide 7. In SEC Industry Guide 7, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made, and a "final" or "bankable" feasibility study is required to report reserves, the three-year historical price is used in any reserve or cash flow analysis of designated reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

Caution Regarding Adjacent or Similar Mineral Properties

This AIF contains information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties, and any production therefrom or economics with respect thereto, are not indicative of mineral deposits on the Company's properties or the potential production from, or cost or economics of, any future mining of any of the Company's mineral properties.

Readers are encouraged to consult the Company's public filings at www.sedar.com for additional information concerning these matters.

Glossary of Terms

The following is a glossary of certain mining and other terms used in this AIF:

"**Alteration**"	Usually refers to chemical/mineralogical reactions/changes in a rock mass resulting from the passage of hydrothermal fluids.
"amphibolite"	Refers to an advanced grade of regional scale rock alteration related to exposure of the rock sequence to certain temperature and/or pressure conditions.
"**Archean Superior Province**"	That sequence of ancient rocks, stretching from eastern Manitoba through eastern Quebec which includes a number of greenstone belts (paired volcanic and sedimentary rock sequences) hosting numerous gold and base metal deposits including the Abitibi greenstone belt in which the Company's projects occur.
"**Au**"	The elemental symbol for gold.
"**Board of Directors**"	The Board of Directors of the Company.
"chalcopyrite"	$CuFeS_2$ – the most common copper sulphide mineral and principal economic copper mineral in most nickel deposits.
"**Common Shares**"	The common shares without par value in the capital stock of Balmoral as the same are constituted on the date hereof.
"Co"	Short form for cobalt.
"**crustal-scale**"	Refers to fault systems which typically exhibit several kilometres of vertical extent cutting several layers of the earth's upper crust.
"Cu"	Short form for copper.
"**deformation**"	A general term for the processes of folding, faulting, shearing, compression, or extension of rocks as a result of various earth forces.

"**deposit**"	A mineralized body which has been physically delineated by sufficient drilling, trenching, and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures. Such a deposit does not qualify as a commercially mineable ore body or as containing reserves or ore, unless final legal, technical and economic factors are resolved.
"**diamond drill**"	A type of rotary drill in which the cutting is done by abrasion rather than percussion. The cutting bit is set with diamonds and is attached to the end of the long hollow rods through which water is pumped to the cutting face. The drill cuts a core of rock which is recovered in long cylindrical sections, an inch or more in diameter.
"**dip**"	The angle that a stratum or any planar feature makes with the horizontal, measured perpendicular to the strike and in the vertical plane.
"**Director**"	A member of the Board of Directors of Balmoral.
"ductile"	Refers to deformation of rock packages by stretching and folding under high temperature and pressure conditions.
"**dyke**"	A tabular body of igneous rock that is younger than and cuts across the structure of adjacent rocks.
"**executive officer**"	When used in relation to any issuer (including Balmoral) means an individual who is: a chair, vice chair or president; a vice-president in charge of a principal business unit, division or function, including sales, finance or production; an officer of the issuer or any of its subsidiaries that performs a policy-making function in respect of the issuer; or performing a policy-making function in respect of the issuer.
"**Fault**"	A fracture in rock where there has been displacement of the two sides.
"**Felsic**"	An igneous rock dominated by the light-coloured, silicon- and aluminium-rich minerals feldspar and quartz.
"**footwall**"	The mass of rock beneath a fault, ore body or mine working; especially the wall rock beneath an inclined vein or fault.
"g/T"	Grams per tonne (34.2857 g/T = 1.0 troy ounce/tonne).
"**gabbro**"	A group of dark coloured, basic intrusive igneous rocks – the approximate intrusive equivalent of basalt.
"**grade**"	To contain a particular quantity of ore or mineral, relative to other constituents, in a specified quantity of rock.

“Grasset Property”	An exploration property located in Fenelon, Du Tast, Subercase and Quebec townships, Quebec, Canada in which the Company holds a 100% interest in the mineral rights to.
“Grasset Ultramafic Complex”	Or “GUC” references to the NW-trending ultramafic intrusive suite which hosts the Grasset Ni-Cu-Co-PGE deposit.
“greenschist”	A lower grade of overall rock sequence alteration (as compared to amphibolite) resulting from exposure to certain temperature and/or pressure conditions within the earths crust.
“Hanging Wall”	That side of a non-vertical fault, or rock package, which occurs vertically above the fault or mineralized zone, the section which would be hanging over the head of a miner working along the feature in question.
“HLEM”	Horizontal Loop Electromagnetic Survey – a geophysical method used to detect conductive bodies below the surface.
“**intercalated**”	Said of layered material that exists or is introduced between layers of a different character.
“**IP**”	Induced polarization – an electrical geophysical surveying method commonly used to detect the presence of sulphide minerals in underlying rock units.
“**km**”	Kilometres.
“**m**”	Metres.
“lamprophyre”	A group of ultrapostassic, generally intrusive igneous rocks which commonly form elongate dykes exploiting pre-existing structure zones (faults) within the Archean greenstone sequences.
“mmi”	Mobile Metal Ion – a geochemical method employed to identify metal concentrations through overburden which focusses on the mobility of certain elements in the sub-surface.
“**mafic**”	Said of an igneous rock composed chiefly of dark, ferromagnesian minerals, also, said of those minerals.
“magmatic””	Refers to rocks of igneous – volcanic or intrusive – origin.
“magnesite’	A mineral phase ($MgCO_{3)}$ common as an alteration phase in ultramafic rocks.
“**Martinière Property**”	An exploration property located at the junction of Lanouiller, La Martinière, La Peltrie and Marigny townships of western Quebec, Canada in which the Company holds a 100% interest in the mineral rights to.

"**mineral reserve**"	The economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined and processed.
"**mineral resource**"	A concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. The term "mineral resource" covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which mineral reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase "reasonable prospects for economic extraction" implies a judgement by a qualified person (as that term is defined in NI 43-101) in respect of the technical and economic factors likely to influence the prospect of economic extraction. A mineral resource is an inventory of mineralization that, under realistically assumed and justifiable technical and economic conditions, might become economically extractable.
"**mineralization**"	The concentration of metals and their chemical compounds within a body of rock.
"**National Instrument 43-101**"/ **NI 43-101**"	National Instrument 43-101 of the Canadian Securities Administrators entitled "Standards of Disclosure for Mineral Projects".
"**National Instrument 51-102**"	National Instrument 51-102 of the Canadian Securities Administrators entitled "Continuous Disclosure Obligations".
"**National Instrument 52-110**"	National Instrument 52-110 of the Canadian Securities Administrators entitled "Audit Committees".
"Ni"	Short form for nickel.
"NPI"	Net Profits Interest Royalty.
"**NSR**"	Net Smelter Return Royalty.
"olivine"	$(Mg,Fe)_2\ SiO_4$ – The most common silicate mineral in ultramafic rocks, formed under high temperatures in the earth's crust.
"**orogenic**"	Of orogeny.

"**orogeny**"	The process by which structures within fold-belt mountainous areas were formed, including thrusting, folding, and faulting in the outer and higher layers, and plastic folding, metamorphism, and plutonism in the inner and deeper layers.
"**outcrop**"	An exposure of bedrock at the surface.
"**pelitic**"	Pertaining to or characteristic of pelite; esp. said of a sedimentary rock composed of clay, such as a pelitic tuff representing a consolidated volcanic ash consisting of day-size particles.
"pentlandite"	$(Fe,Ni)_9S_8$ – A brownish coloured sulphide mineral which is the principal ore mineral of nickel in nickel sulphide deposits, iron (Fe) and nickel (Ni) form a solid solution series with higher nickel contents leading to higher nickel tenors (or overall average values).
"peridotite"	A dense, typically coarse-grained igneous rock comprised dominantly of olivine and pyroxene – ultramafic rock type with < 45% silica typically derived from deep seated magmatic sources.
"PGE"	Used to reference combined values of Platinum ("Pt") and Palladium ("Pd").
"plug"	A small intrusive body of rock.
"polylithic"	Comprised of multiple lithologies or rock types.
"porphyry"	A textural term for an igneous rock consisting of large-grained crystals (commonly quartz or feldspar) dispersed in a finer-grained matrix.
"pyrite"	FeS_2 – The most common iron sulphide mineral, commonly referred to as "fools gold".
"pyroclastic"	Produced by explosive or aerial ejection of ash, fragments and glassy material from a volcanic vent. Term applicable to the rocks and rock layers as well as to the textures so formed.
"pyroxene"	A rock forming silicate mineral of variable chemistry which is a common component of ultramafic and mafic rocks.
"pyroxenite"	A rock comprised dominantly of pyroxene.
"pyrrhotite"	$Fe_{(1-x)}S$ – A typically high temperature, variably magnetic iron sulphide which is common in nickel sulphide deposits.
"quartz"	SiO_2 – The second most abundant mineral in the crust comprised of silica and a common component of vein structures; frequently associated with gold mineralization.
"rhyolite"	Felsic extrusive (volcanic) lithology.

"sericite"	A white, fine-grained potassium mica occurring in small scales as an alteration product of various aluminosilicate minerals, having a silky luster, and found in various metamorphic rocks (especially in schists and phyllites) or in the wall rocks, fault gouge, and vein fillings of many ore deposits. It is commonly muscovite or very close to muscovite in composition but may also include paragonite and illite.
"shear zone"	A structural discontinuity (or faut) in the earth's crust typically formed in a ductile strain region in response to inhomogenous strain; a common host to gold mineralization in the Archean.
"silicified"	Flooded by, comprised of or replaced by silica.
"sill"	A tabular igneous intrusion that parallels the planar structure of the surrounding rock.
"syenite"	Coarse-grained, typically potassium rich and quartz poor, intrusive rock.
"strike"	The direction taken by a structural surface.
"sulphide"	Refers typically to a sulphur bearing mineral phase such as pyrite or chalcopyrite.
"Timiskaming-style assemblages"	Refers to a polylithic sedimentary rock unit comprised of rounded clasts of multiple rock types typically interpreted to represent an extensional phase of deformation in a given belt of rocks.
"ultramafic"	Said of an igneous rock composed chiefly of mafic minerals.
"volcaniclastics"	Volcanic derived sedimentary rock units.
"VMS"	A volcanogenic massive sulfide deposit typically containing anomalous concentrations of iron plus/minus copper, zinc, lead, silver and gold.
"VTEM"	A proprietary third party airborne electromagnetic survey technique used to detect conductive materials within the earth's upper crust.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Company Act* (British Columbia) on January 24, 1983 under the name "Golden Dividend Resources Corp." The name was subsequently changed to "Caesars Gold Ltd." on April 17, 1996; to "Caesars Explorations Inc." on August 13, 1999; to "Great Southern Enterprises Corp." ("GSR") on November 4, 2002 and to "Balmoral Resources Ltd." ("Balmoral") on March 29, 2010. Balmoral (then, GSR) was transitioned under the *Business Corporations Act* (British Columbia) ("BCBCA") on May 18, 2005 and is now governed by that statute. The head office and principal business address of Balmoral is located at Suite 1750 – 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8, and its registered and records office is located at 550 Burrard Street, Suite 2300, P.O. Box 30, Bentall 5, Vancouver, British Columbia, Canada V6C 2B5.

Intercorporate Relationships

The Company has no subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Balmoral is a mineral exploration and development company engaged in the acquisition, exploration and development of mineral properties. The Company is in the exploration stage as its properties have not yet reached commercial production and none of its properties are currently considered to be beyond the advanced exploration stage. All work presently planned by the Company is directed at defining mineralization and increasing understanding of the characteristics of, and potential economics of, that mineralization. There are currently no identified mineral reserves on any of the Company's properties. The Company, during the first quarter of 2016, published an initial resource estimate and supporting technical report for the Grasset Ni-Cu-Co-PGE deposit on its Grasset Property on its Detour Gold Trend Project in Quebec. During the first quarter of 2018, the Company published an initial resource estimate and supporting technical report for the Martiniere gold system which includes the Bug and Martiniere West Gold deposits. The two properties are located approximately 50 kilometres apart.

Over the past three financial years, the Company focused on continuing to raise capital, exploration of mineral properties in Canada; primarily in Quebec in addition to the sale of its Fenelon Gold Mine Property in Quebec. During the fiscal years ended December 31, 2017, 2016 and 2015, the Company entered into certain agreements to option or joint venture interests in some properties in Quebec and Ontario. As well, the Company acquired additional claims by staking ground adjacent to these and its currently existing properties as well as from time to time releasing or abandoning certain claims deemed to be of no further exploration interest to the Company.

On February 2 2015, the Company entered into an option and joint venture agreement ("N2 Option Agreement") with Wealth Minerals Ltd. ("Wealth") with respect to the Company's N1 and N2 Properties, located along the Casa-Berardi Gold Trend in Quebec, whereby Wealth could earn a majority interest in the properties. Wealth failed to meet its exploration expenditure obligations under the N2 Option Agreement. The Company and Wealth then entered into a Termination Agreement dated February 25, 2016 under which Wealth would pay to the Company a sum of $400,000 in cash or common shares of Wealth, at Wealth's option, in three payments. The first instalment was paid in cash on April 1, 2016 and the second in shares on July 1, 2016 and the final instalment was paid in cash on October 1, 2016. Wealth maintained no interest in the properties and as such Balmoral currently holds a 100% interest in the N2 Property and the N1 property has been allowed to lapse.

October 28, 2015 - the Company issued 6,047,646 flow-through common shares at a price of $0.75 per Flow-Through Share for gross proceeds of $4,535,734.

The proceeds raised from the Offering were used by the Company for further delineation of its Martiniere Gold and Grasset Nickel discoveries and continued exploration of its Detour Gold Trend Project located in the Province of Quebec. In conjunction with the completion of the Offering the Company paid certain finders cash commissions totaling $268,544.

November 18, 2015 - the Company closed the second and final tranche of the non-brokered private placement and raised an additional $900,000, gross proceeds of $5,435,734 through the issuance of an aggregate of 7,247,646 flow-through common shares at a price of $0.75 per Flow-Through Share. The second tranche of the Offering was completed with a single, existing institutional shareholder.

The proceeds raised from the Offering were used by the Company for further delineation of its Martiniere Gold and Grasset Nickel discoveries and continued exploration of its Detour Gold Trend Project located in the Province of Quebec. In conjunction with the completion of the second tranche of the Offering the Company paid a single finder a cash commission of $51,000, for aggregate commissions totaling $319,544.

March 7, 2016 - Balmoral reported the initial resource estimate for the Company's Grasset Ni-Cu-Co-PGE deposit. The Grasset deposit is located on the Company's wholly owned and royalty free Grasset Property, part of the Detour Gold Trend Project in West-Central Quebec.

April 1, 2016 - the Company announced that it had filed on SEDAR (www.sedar.com) a National Instrument 43-101 compliant technical report entitled "Technical Report and Mineral Resource Estimate for the Grasset Ni-Cu-PGE Deposit" in support of the initial resource estimate for the Grasset Ni-Cu-Co-PGE Deposit released on March 7, 2016.

May 25, 2016 - the Company entered into a Letter of Intent ("LOI") to sell its interest in the Fenelon Mine Property, a 10.5 square kilometre subdivision of the current, larger Fenelon Property, to Wallbridge Mining Company Limited ("Wallbridge"). Under the terms of the LOI, Balmoral would receive an immediate payment of 2,381,575 common shares of Wallbridge, cash payments totalling $3.5 million dollars over the next 60 to 120 days (see October 19, 2016 below) and would retain a 1% NSR royalty on all future production from the Fenelon Mine Property.

June 30, 2016 - the Company closed a $7.1 million, bought deal, private placement consisting of 4,714,163 National flow-through shares at C$0.90 per share and 2,405,837 Quebec flow-through common shares at C$1.20 per share. The proceeds from the private placement were used by the Company for exploration of the Detour Gold Trend Project located in the Province of Quebec and for exploration of other Canadian gold properties held by the Company. The Company paid a cash commission of 6% of the gross proceeds to a syndicate of underwriters co-led by Canaccord Genuity Corp. and Mackie Research Capital Corporation.

August 2, 2016 - the Company acquired, through staking for $29,000, an additional gold exploration property located proximal to the currently producing Casa Berardi gold mine in West Central, Quebec. The Hwy 810 Property covers an area of over 250 square kilometres and is centered 15 kilometres northeast of Casa Berardi, and 35 kilometres south of Balmoral's Bug and Martiniere West gold deposits.

October 19, 2016 - Balmoral received the final cash payment of $2,500,000 and completed the sale of the Fenelon Mine Property to Wallbridge initially announced on May 25, 2016 (see above). Balmoral received, in total, cash payments of $3,500,000, and 2,381,575 common shares of Wallbridge and retains a 1% NSR royalty on all future production from the property.

April 3, 2017 - Balmoral announced that it had filed on SEDAR at www.sedar.com and the Company web-site, an updated technical report for the Martiniere Property, part of the Detour Gold Trend Project in the Province of Quebec.

September 15, 2017 – The Company announced that it closed a National flow-through private placement for gross proceeds of $4,061,200 via the issuance of 5,720,000 national flow-through common shares, at a price of C$0.71 per National FT Share for gross proceeds of $4,061,200. The Company paid certain Agents a cash commission of $192,232. in conjunction with the closing of the financing.

September 29, 2017 – The Company announced that it closed a non-brokered Quebec flow-through private placement for gross proceeds of $3,459,000 through the issuance of 3,843,333 Quebec flow-through common shares ("Quebec FT Share"), at a price of C$0.90 per Quebec FT Share. The Company paid certain finders a cash fee of $172,950. in conjunction with the financing.

October 10, 2017 – The Company announced that it had closed a non-brokered common share private placement with four institutional investors located in Province of Quebec for gross proceeds of $2,000,000 via the issuance of 3,448,276 common shares at a price of C$0.58 per common. The Company paid certain finders a cash fee of $27,797 in conjunction with the financing.

Throughout 2017 the Company continued to focus its efforts on the delineation and exploration of the Martiniere Gold System in its Detour Gold Trend project. In total the Company completed approximately 33,000 metres of drilling on the Martiniere Property with the results reported in a series of press releases throughout the year. The majority of the activity was focused on the expansion and delineation of the Bug South zone which was discovered in 2016. Exploration drilling on the broader Martiniere Property made a number of new gold discoveries, several of which were slated for follow-up work in 2018.

December 7, 2017 – the Company announced plans for a $2.0 million-dollar winter drilling and geophysical program on its Martiniere and Hwy 810 properties. These programs commenced during the first quarter of 2018 and were on-going at the time of preparation of this AIF. The Company also announced that the Board of Directors had approved an $8.2 million 2018 exploration budget which is fully funded.

Complete details of the events for the past three years, as noted above, can be found at SEDAR www.sedar.com or at the Company's web site www.balmoralresources.com

Significant Acquisitions

Since January 1, 2017, being the commencement of the Company's last completed fiscal year, Balmoral did not complete any significant acquisitions for which disclosure is required under Part 8 of National Instrument 51-102.

NARRATIVE DESCRIPTION OF THE BUSINESS

General

Summary

The Company currently holds interests in several mineral properties (subject, in certain cases, to NSR and NPI royalties payable to the original property vendors) in Quebec and Ontario, Canada. The Company is in the process of evaluating such properties through exploration and delineation programs. The objective of such programs is to evaluate the potential of the subject property to host economic concentrations of minerals and to determine if additional exploration or development spending is warranted (in which case, an appropriate program to advance the property to the next decision point will be formulated and, depending upon available funds, implemented) or not (in which case the property may be offered for option/joint venture or returned to the vendor or abandoned, as applicable). At the present time, the Company is primarily interested in properties that are prospective for gold, nickel and related minerals.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, logistical planning, geophysics, metallurgy and mineral processing, implementation of exploration programs, mine development, mine operation, financing and accounting. The Company has found that it can locate and retain competent employees and consultants in such fields and believes it will continue to be able to do so at a reasonable cost.

Competitive Conditions

As a mineral exploration company, the Company may compete with other entities in the mineral exploration business in various aspects of the business including (a) obtaining the resources necessary to identify and evaluate mineral properties and to conduct exploration and development activities on such properties; (b) raising the capital necessary to fund its operations and (c) seeking out and acquiring mineral exploration and development properties. The mining industry is intensely competitive in all its phases, and the Company may compete with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to raise the capital necessary to continue with operations.

Components

All of the raw materials the Company requires to carry on its business are readily available through normal supply or business contracting channels in Canada. Since commencing current operations, the Company has been able to secure the appropriate personnel, equipment and supplies required to conduct its contemplated programs. As a result, the Company does not believe that it will experience any shortages of required personnel, equipment or supplies in the foreseeable future.

Cycles

The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Since reaching historic highs in 2011 on the back of significant demand for minerals in several emerging countries (notably China and India) commodity markets and prices have generally softened. The last 12 months have seen positive price movements in a number of commodities, notable from the Company's perspective nickel, copper and cobalt. However the price for these commodities remains well below their highs from the early part of the decade. The lower commodity prices, combined with generally increased volatility in the world's stock markets and increased competition in the venture capital markets have put a significant degree of strain on the normal channels of finance available for resource developers, mineral exploration and development companies. These factors could significantly affect the economic potential of the Company's assets and result in the Company determining to cease work on, or drop its interest in, some or all of said properties.

Economic Dependence

The Company's business is not substantially dependent on any contract such as a contract to sell the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise or licence or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Changes to Contracts

It is not expected that the Company's business will be affected in the current financial year by the renegotiation or termination of contracts or sub-contracts.

Environmental Protection

As the Company is currently at the exploration stage with respect to all of its projects there are no significant financial and operational effects on the Company's activities and capital expenditures that relate to specific environmental protection requirements. Should the Company progress beyond the exploration stage on any of its properties it would be anticipated that said requirements would initially have only a minor impact on capital expenditures and would not significantly affect the Company's competitive position.

Employees

As of December 31, 2017, Balmoral had 10 full-time employees. The Company also relies upon consultants and contractors to carry on many of its activities and, in particular, to execute elements of the work programs on its mineral properties. However, should the Company expand its activities, it is likely that it will choose to hire additional employees.

Bankruptcy and Similar Procedures

There are no bankruptcy, receivership or similar proceedings against Balmoral, nor is Balmoral aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by Balmoral within the three most recently completed financial years or completed or currently proposed for the current financial year.

Reorganizations

There have been no reorganizations of or involving Balmoral over the past three fiscal years up to the date of this AIF.

Social or Environmental Policies

Balmoral has created a Sustainable Development Committee ("SDC"), which has adopted a formal charter. The overall purpose of the SDC is to assist the Board in fulfilling its oversight responsibilities with respect to the Board's and the Company's continuing commitment to minimize the impacts of its activities on the natural environment and ensuring that the Company's activities are carried out, and that its facilities are operated and maintained, in a safe, sustainable and environmentally sound manner.

The primary function of the SDC is to monitor, review and provide oversight with respect to the Company's policies, standards, accountabilities and programs relative to health, safety, community relations and environmental-related matters. Further, the SDC is to advise the Board and make recommendations for the Board's consideration regarding health, safety, community relations and environmental-related issues. In particular, the SDC is to consider and advise the Board with respect to current standards of sustainable development for projects and activities such as those of the Company, particularly with a view to ensuring that the Company's business is run in a manner, and its projects are operated and developed, so as to achieve the ideals and reflect the following principles of sustainable development:

(a) living within environmental limits,

(b) ensuring a strong, healthy and just society,

(c) achieving a sustainable economy,

(d) using sound science responsibly, and

(e) promoting good governance.

The SDC is also responsible for monitoring the activities of the Company in connection with the initial and ongoing interaction between the Company's activities, operations and personnel and the communities in which the Company's projects and related activities are located, with a view to ensuring that management develops and follows appropriate policies and activities to enhance the relationship between the Company and its personnel and the communities in which it operates and reflect the principles of sustainable development in that regard.

Members of the SDC from time to time will visited the Company's material properties and meet with management at least once a year to review corporate operations in light of the objectives regarding sustainable development.

Although not set out in a specific policy, the Company strives to be a positive influence in the local communities where its mineral projects are located, not only by contributing to the welfare of such communities as appropriate, but also through hiring, when appropriate, local workers to assist in ongoing exploration programs as well as contributing to and improving local infrastructure. The Company considers that building and maintaining strong relationships with such communities is fundamental to its ability to continue to operate in such regions and to assist in the eventual development (if any) of mining operations in such regions, and it attaches considerable importance to commencing and fostering them from the beginning of its involvement in any particular area.

Balmoral has also adopted a Code of Business Conduct and Ethics, which provides, among other things, that the Company is committed to complying with all securities laws and governmental regulations applicable to its activities and, specifically, to maintaining a safe and healthy work environment and conducting its activities in full compliance with all applicable environmental laws**.** A copy of the policy can be found on the Company's website at www.balmoralresources.com.

Risk Factors

In addition to those risk factors discussed elsewhere in this AIF, the Company is subject to the following risk factors:

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties, and currently holds properties in the Provinces of Ontario and Quebec, Canada. Due to the nature of the Company's business and the present stage of exploration of its mineral properties (which are all exploration stage properties), the following risk factors, among others, will apply:

Resource Exploration and Development is Generally a Speculative Business: Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size or grade to return a profit from production. The marketability of natural resources that may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. **Other than the mineral resource estimates discussed herein for the Grasset and Martiniere Properties, there are no other resource estimates which the Company recognizes as current on any of the Company's other properties, and there are no known mineral reserves, on any of the Company's properties. The vast majority of exploration projects do not result in the discovery of commercially mineable deposits of ore**. Substantial expenditures are required to establish ore reserves through drilling and metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body which can be legally and economically exploited.

Fluctuation of Metal Prices: Even if commercial quantities of mineral deposits are discovered by the Company, there is no guarantee that a profitable market will exist for the sale of the metals produced. Factors beyond the control of the Company may affect the marketability of any substances discovered. The prices of various metals have experienced significant movement over short periods of time, and are affected by numerous factors beyond the control of the Company, including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production due to improved mining and production methods. The supply of and demand for metals are affected by various factors, including political events, economic conditions and production costs in major producing regions. There can be no assurance that the price of any commodities will be such that any of the properties in which the Company has, or has the right to acquire, an interest may be mined at a profit.

The price of gold can experience significant movements over short periods of time, and is affected by numerous factors beyond the control of the Company, including economic and political conditions, expectations of inflation, currency exchange fluctuations, interest rates, global or regional demand, sale or purchase of gold by various central banks and financial institutions, speculative activities and increased production due to improved mining and production methods. The volatility of mineral prices represents a substantial risk which no amount of planning or technical expertise can fully eliminate. There can be no assurance that the price of gold will be such that any such deposits can be mined at a profit.

The volatility in gold prices is illustrated by the following table, which presents the high, low and average fixed price in U.S. dollars for an ounce of gold, based on the London Bullion Market Association P.M. fix, over the past five years:

	High	Low	Average
January 1, 2018 to March 28, 2018	$ 1,355	$ 1,308	$ 1,329
2017	$ 1,346	$ 1,151	$ 1,257
2016	$ 1,366	$ 1,077	$ 1,251
2015	$ 1,296	$ 1,049	$ 1,160
2014	$ 1,385	$ 1,142	$ 1,266
2013	$ 1,694	$ 1,192	$ 1,410

Nickel is the other commodity which is of primary interest to the Company. The volatility in nickel prices is illustrated by the following table, which presents the high, low and average fixed price in U.S. dollars for a tonne of nickel, based on the London Metal Exchange cash settlement, over the past five years:

	High	Low	Average
January 1, 2018 to March 28, 2018	$ 14,150	$ 12,415	$ 13,300
2017	$ 12,830	$ 8,715	$ 10,417
2016	$ 11,735	$ 7,710	$ 9,609
2015	$ 15,455	$ 8,160	$ 11,807
2014	$ 21,200	$ 13,365	$ 16,867
2013	$ 18,600	$ 13,160	$ 15,004

Both commodities remain well below their five year highs with the greatest volatility seen in the nickel price.

Permits and Licenses: The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits or a failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Surface Rights and Access: Although the Company acquires the rights to some or all of the minerals in the ground subject to the mineral tenures that it acquires, or has a right to acquire, in most cases it does not thereby acquire any rights to, or ownership of, the surface to the areas covered by its mineral tenures. In such cases, applicable mining laws usually provide for rights of access to the surface for the purpose of carrying on mining activities, however, the enforcement of such rights through the courts can be costly and time consuming. It is necessary to negotiate surface access or to purchase the surface rights if long-term access is required. There can be no guarantee that, despite having the right at law to access the surface and carry on mining activities, the Company will be able to negotiate satisfactory agreements with any such existing landowners/occupiers for such access or purchase of such surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where such access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

No Assurance of Profitability: The Company has no history of production or earnings and due to the nature of its business there can be no assurance that the Company will be profitable. The Company has not paid dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. All of the Company's properties are in the exploration stage and the Company has not defined or delineated any proven or probable reserves on any of its properties. None of the Company's properties are currently under development. Continued exploration of its existing properties and the future development of any properties found to be economically feasible, will require significant funds. The only present source of funds available to the Company is through the sale of its equity shares, short-term, high-cost borrowing or the sale or optioning of a portion of its interest in its mineral properties. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists. While the Company may generate additional working capital through further equity offerings, short-term borrowing or through the sale or possible syndication of its properties, there is no assurance that any such funds will be available on favourable terms, or at all. At present, it is impossible to determine what amounts of additional funds, if any, may be required. Failure to raise such additional capital could put the continued viability of the Company at risk.

Uninsured or Uninsurable Risks: Exploration, development and mining operations involve various hazards, including environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structural cave-ins or slides, flooding, fires, metal losses and periodic interruptions due to inclement or hazardous weather conditions. These risks could result in damage to or destruction of mineral properties, facilities or other property, personal injury, environmental damage, delays in operations, increased cost of operations, monetary losses and possible legal liability. The Company may not be able to obtain insurance to cover these risks at economically feasible premiums or at all. The Company may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Government Regulation: Any exploration, development or mining operations carried on by the Company will be subject to government legislation, policies and controls relating to prospecting, development, production, environmental and wildlife protection, mining taxes and labour standards. The Company cannot predict whether or not such legislation, policies or controls, as presently in effect, will remain so, and any changes therein (for example, significant new royalties or taxes), which are completely outside the control of the Company, may materially adversely affect the ability of the Company to continue its planned business within any such jurisdictions.

Global Financial Conditions: Market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the continued volatility of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements. Notwithstanding various actions by the U.S. and foreign governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions continue to be volatile and unpredictable. In addition, general economic indicators have deteriorated, including low levels of consumer sentiment and limited economic growth on a global basis. These disruptions in the current credit and financial markets have had, and could continue to have a material adverse impact on a number of financial institutions and have limited access to capital and credit for many companies, particularly junior resource enterprises such as the Company. These disruptions could, among other things, make it more difficult for the Company to obtain, or increase its cost of obtaining, capital and financing for its operations. The Company's access to additional capital may not be available on terms acceptable to the Company or at all.

Insufficient Financial Resources: The Company does not presently have sufficient financial resources to undertake by itself the exploration and development of all of its assets. Future property acquisitions and the future exploration/development of the Company's properties will therefore depend upon the Company's ability to obtain financing through the joint venturing of projects, private placement financing, public/private financing, short or long term borrowings or other means. There is no assurance that the Company will be successful in obtaining the required financing. Failure to raise the required funds could result in the Company losing, or being required to dispose of, its interest in its properties.

Financing Risks: The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects or to fulfil its obligations under any applicable agreements. There can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such properties.

Dilution to the Company's Existing Shareholders: The Company will require additional financing in the future. The Company may issue securities on less than favourable terms to raise sufficient capital to fund its business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Increased Costs: Management anticipates that costs at the Company's projects will frequently be subject to variation from one year to the next due to a number of factors, such as the results of ongoing exploration activities (positive or negative), changes in the nature of mineralization encountered, and revisions to exploration programs, if any, in response to the foregoing. In addition, exploration program costs are affected by the price of commodities such as fuel, rubber and electricity and the availability (or otherwise) of consultants and drilling contractors. Increases in the prices of such commodities or a scarcity of consultants or drilling contractors could cause the costs of exploration programs to increase significantly over those budgeted. A material increase in costs for any significant exploration program could have a significant effect on the Company's operating funds and ability to continue its planned exploration programs.

Dependence Upon Others and Key Personnel: The success of the Company's operations will depend upon numerous factors, many of which are beyond the Company's control, including (i) the ability of the Company to enter into strategic alliances through a combination of one or more joint ventures, mergers or acquisition transactions; and (ii) the ability to attract and retain current or additional key personnel in exploration, mine development, sales, marketing, technical support and finance. These and other factors will require the use of outside suppliers as well as the talents and efforts of the Company. There can be no assurance of success with any or all of these factors on which the Company's operations will depend. The Company has relied and may continue to rely, upon consultants and others for operating expertise.

Share Price Volatility: In recent years, the securities markets in the United States and Canada have experienced an increasingly high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Exploration and Mining Risks: Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. Substantial expenditures are required to establish reserves through drilling, to develop metallurgical processes, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of gold or other minerals produced, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Short-term factors, such as the need for orderly development of ore bodies or the processing of new or different grades, may have an adverse effect on mining operations and on the results of operations. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations. Material changes in geological resources, grades, stripping ratios or recovery rates may affect the economic viability of projects.

Environmental Restrictions: The activities of the Company are subject to environmental regulations promulgated by government agencies in different countries from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. Certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

Regulatory Requirements: The activities of the Company are subject to extensive regulations governing various matters, including environmental protection, management and use of toxic substances and explosives, management of natural resources, exploration, development of mines, production and post-closure reclamation, exports, price controls, taxation, regulations concerning business dealings with indigenous peoples, labour standards on occupational health and safety, including mine safety, and historic and cultural preservation and regulations governing the practice of geology and engineering. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties, enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions, any of which could result in the Company incurring significant expenditures. The Company may also be required to compensate those suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspension of the Company's operations and delays in the exploration and development of the Company's properties.

Limited Experience with Development-Stage Mining Operations: The Company has limited experience in placing resource properties into production, and its ability to do so will be dependent upon using the services of appropriately experienced personnel or entering into agreements with other major resource companies that can provide such expertise. There can be no assurance that the Company will have available to it the necessary expertise when and if it places its resource properties into production.

Mineral resources are not mineral reserves and there is no assurance that any mineral resources will ultimately be reclassified as proven or probable reserves. Mineral resources which are not mineral reserves have not demonstrated economic viability.

Mining Industry is Intensely Competitive: The Company's business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Title Matters: The Company cannot guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples. The process of acquiring exploration concessions involves an application process and, until title to an exploration concession is actually granted, there can be no assurance that an exploration concession which has been applied for will be granted (especially as it is not always possible to determine if there are prior applications over the same ground).

The Company may be a "passive foreign investment company" under the U.S. Internal Revenue Code, which may result in material adverse U.S. federal income tax consequences to investors in the Company's common shares that are U.S. taxpayers: Investors in the Company's common shares that are U.S. taxpayers should be aware that the Company believes that it has been in prior years, and expects it will be in the current year a "passive foreign investment company" under Section 1297(a) of the U.S. Internal Revenue Code (a "PFIC"). If the Company is or becomes a PFIC, generally any gain recognized on the sale of the Common Shares and any "excess distributions" (as specifically defined) paid on the Common Shares must be rateably allocated to each day in a U.S. taxpayer's holding period for the Common Shares. The amount of any such gain or excess distribution allocated to prior years of such U.S. taxpayer's holding period for the Common Shares generally will be subject to U.S. federal income tax at the highest tax applicable to ordinary income in each such prior year, and the U.S. taxpayer will be required to pay interest on the resulting tax liability for each such prior year, calculated as if such tax liability had been due in each such prior year.

Alternatively, a U.S. taxpayer that makes a "qualified electing fund" (a "QEF") election with respect to the Company generally will be subject to U.S. federal income tax on such U.S. taxpayer's pro-rata share of the Company's "net capital gain" and "ordinary earnings" (as specifically defined and calculated under U.S. federal income tax rules), regardless of whether such amounts are actually distributed by the Company. U.S. taxpayers should be aware, however, that there can be no assurance that the Company will satisfy record keeping requirements under the QEF rules or that the Company will supply U.S. taxpayers with required information under the QEF rules, in event that the Company is a PFIC and a U.S. taxpayer wishes to make a QEF election. As a second alternative, a U.S. taxpayer may make a "mark-to-market election" if the Company is a PFIC and its common shares are "marketable stock" (as specifically defined). A U.S. taxpayer that makes a mark-to-market election generally will include in gross income, for each taxable year in which the Company is a PFIC, an amount equal to the excess, if any, of (a) the fair market value of the common shares as of the close of such taxable year over (b) such U.S. taxpayer's adjusted tax basis in the common shares.

Due to the extreme complexity of the PFIC rules and the potentially materially adverse consequence to a shareholder that is a U.S. taxpayer of the Company being a PFIC, it is critical that each shareholder that is a U.S. taxpayer consult with that shareholder's U.S. tax adviser before undertaking any transactions in the Company's common shares.

Material Mineral Projects

The Company has two mineral properties which it deems material at the present time, the Martiniere Property which hosts the Bug and Martiniere West gold deposits and the Grasset Property which hosts the Grasset nickel-copper-cobalt-platinum-palladium deposit. Both properties are located in west-central Quebec and form part of the Company's larger Detour Gold Trend Project.

The Company is in the exploration stage and does not mine, produce or sell any mineral products at this time, nor do any of its current properties host any mineral reserves. In March of 2016 the Company published it first mineral resource estimate on the Grasset Property. In March of 2018 the Company published the initial mineral resources estimate for its Martiniere Property. These are the only mineral resources considered current to the Company at this time. The Company does not propose any method of production on any of its mineral properties at this time.

Martiniere Property, Quebec, Canada

The following description of the Martiniere Property is taken from the summary contained in the Martiniere technical report (the "Martiniere report"), with an effective date of March 29, 2018. The entire report, a copy of which may be found on SEDAR at www.sedar.com, is incorporated by reference into this AIF and should be consulted for details beyond those summarized herein. The disclosure contained below is subject to the assumptions, qualifications and procedures described in the report.

SUMMARY

This National Instrument 43-101 report describes bedrock-hosted gold mineralization on Balmoral Resources Ltd ("Balmoral") Martinière Property ("Martinière", or "the Property"). Material changes that require an update of the 05 January 2017 technical report include (1) a maiden resource estimate for the Bug and Martinière West gold deposits, and (2) an additional 27,224.4 metres of drilling completed since January 2017.

The Martinière Property covers 112 contiguous claims (61.7 km^2) in northwestern Québec and is centered approximately 110 km west of the town of Matagami and 150 km north of Amos. The Property is 100% owned by Balmoral, with 90 of the claims subject to a 2% NSR royalty that is payable to Cyprus Canada Inc. Year-round access is by helicopter, with the nearest year-round road access reaching to within 20 km of the Property and a winter road and trail system providing access from January to April. Several gold and base metal mines are in production in this part of Québec and Ontario, supporting a vibrant infrastructure of mining and exploration services and supplies. Active railway lines and commercial airports are located within 200 km of the Property. The region experiences a continental-style climate, with cold winters and warm summers, and exploration work (including diamond drilling) can be carried out year-round.

The Martinière Property is underlain by the northern-most greenstone belt of the Abitibi Subprovince ("Abitibi"), which hosts numerous world-class gold and base metal deposits. This part of the Abitibi is flat, swampy and poorly exposed and so exploration is mostly done through geophysical surveys and diamond drilling. The Martinière Property contains little outcrop with the first significant gold mineralization intersected by exploration drilling of EM and IP anomalies in 1996. Balmoral acquired the Property in November 2010 and, from 2011-2017, has drilled 133,852 m in 519 diamond drill holes, carried out a property-wide airborne magnetic and VTEM survey, and conducted several ground-based IP, HLEM and soil geochemistry surveys. Drilling, IP and magnetic surveys are the most effective exploration methods for gold mineralization whereas airborne and ground-based EM have been successful in delineating VMS occurrences. Soil sampling surveys appear to be ineffective. From 2011 to 2017, Balmorals work has expanded the historical intercepts on the Property into the Bug and

Martinière West gold deposits and identified several additional zones and prospects. Collectively, these gold occurrences are referred to as the "Martinière Gold System".

The Martinière Gold System is most likely part of the orogenic class of gold deposits, although possibly exposed at a higher structural level than is typical of orogenic gold systems in the Abitibi. All gold occurrences are structurally controlled and associated with pyrite as well as carbonate-quartz alteration and veins. Balmoral's initial drilling campaigns focussed on the Martinière West and East lithological domains, which are separated by the Bug Lake Fault Zone (BLFZ). The western domain hosts the Martinière West Deposit, which was known from pre-Balmoral work and was the target of significant drilling campaigns from 2011 to 2013. In 2012, Balmoral discovered gold within the BLFZ and subsequently drilled off the Bug Deposit as the North (drilled 2012-2015), South (2013-2017) and Lower Steep (2013-2017) zones. The North Zone is notable for returning exceptional high-grades within its Footwall Subzone, including 8,330 g/t Au over 0.57 m in MDE-14-143 and 1,255 g/t Au over 0.55 m in MDE-12-29.

Additional gold mineralization occurs along strike of both the Bug and Martinière West deposits, on the so-called Bug Lake and Martinière West trends. These include the NW Extension and Southeast zones on the Bug Lake Trend as well as the West Extension and Central Zone on the Martinière West Trend. Other prospects include the ME-16, ME-23 and Horsefly zones, which occur 150-400 m east of the Bug Lake Trend, several widely-spaced gold intercepts on the east-west striking Lac du Doigt Deformation Zone (LDDZ), and other showings with limited information. Three pyrite-dominant VMS systems have also been discovered on the Property although with negligible base and precious metal contents.

The core processing, sampling and shipment procedures used by Balmoral are at or above industry standards, with no reported sample security transgressions. In addition, 11 of the 15 drilling campaigns conducted by Balmoral were managed by consulting groups that are independent under the definition of NI 43-101. All gold analyses have been done at ISO certified facilities by fire assay with atomic absorption (<5 g/t Au), gravimetric (5-10 g/t Au) and screen assay (>10 g/t Au) finishes. The sample preparation, security, and analytical procedures were adequate for the 2012-2017 drilling programs on the Martinière Property.

Quality control of assays was also monitored by an independent consultant and confirms that all of Balmoral's assay data for the Martinière Property is accurate, precise and free of contamination to industry standards, and is of sufficient quality to be used in resource estimation.

Preliminary metallurgical testing of mineralized composite material from the Bug Deposit suggests a processing flow sheet that includes gravitation separation, flotation and separate cyanide leaching of flotation concentrate and tails. Measured recoveries were up to 91% for Au and 80% for Ag. Preliminary testing of a Martinière West composite was done on just one grind size, returning higher recovery in the gravitational separation and flotation concentration relative to the Bug composite, but a poorer response to cyanide leaching.

The mineral resources of the Martinière Project were estimated by Ginto Consulting Inc. The Martinière drill hole database included some of the historical drilling so that it comprised 552 holes with 124,731m of drilling and 103,090 assays. Out of these holes, 325 holes are located on the Bug Lake Trend and 151 holes on the Martinière West Trend. The drill hole database cut-off date is January 30, 2018. A geologic model of mineralized gold zones was developed for both the Bug and Martinière West areas, and separate block models were generated for each area to reflect their distinct orientations. The mineral resources were estimated with an ordinary kriging technique for the major units, and inverse distance squared for the minor units, both with capped composited gold assays. The mineral resources are reported within an optimized open pit for the close-to-surface portion, and at an elevated cut-off grade for the underground portion. Table 1-1 summarizes the mineral resources.

Table 1-1 Mineral resource statement for the Martinière Gold System[1, 2, 3], effective March 29, 2018

	Indicated			**Inferred**			
Au Cut-Off (g/t)	*Tonnage (tonnes)*	*Au Grade (g/t)*	*Content (oz)*	*Tonnage (tonnes)*	*Au Grade (g/t)*	*Content (oz)*	*Strip Ratio*
OPEN PIT MINERAL RESOURCES							
0.5	6,827,183	1.96	431,225	132,147	2.50	10,622	11.6
UNDERGROUND MINERAL RESOURCES							
2.5	1,092,415	4.54	159,417	231,273	5.75	42,722	
TOTAL RESOURCES AT PREFERRED CUT-OFFS							
0.5/2.5	7,919,598	2.32	590,642	363,420	4.57	53,344	

[1] Mineral resources are reported within an optimized open pit at a cut-off grade of 0.5 g/t gold for the near surface portion, and at an elevated cut-off grade of 2.5 g/t gold for the underground portion.

[2] Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources estimated will be converted into mineral reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

[3] The CIM definitions were followed for the classification of indicated and inferred mineral resources. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated mineral resource category.

Continued exploration is warranted on the Martinière Property, given the zones of significant gold mineralization discovered to date, under-explored nature of these trends along much of their strike length and at depth, numerous isolated gold intercepts on the Property with limited follow-up drilling, and regional association with world-class deposits at Detour Lake and Selbaie.

Recommended work for the Property includes (1) resource definition drilling on, and to the east of, the Lower Steep Zone, (2) exploration and definition drilling on other deep segments of the Bug Lake Trend, (3) continued shallow, along-strike, exploration on the Bug Lake and Martinière West trends, (4) continued exploration on the Lac du Doigt Deformation Zone, (5) evaluation of the historical "Norbug" (LAM) target, (6) more detailed modelling of the Bug Deposit on level plans and 10 m-spaced sections, (7) drilling of oriented core to support the orientation of Au-bearing structures, especially on MDX drill holes but also to support the Bug and Martinière West interpretations and (8) relogging Martinière West core to re-assess the true continuity of silicified shear zone units.

Qualified Person(s)

Author R. Voordouw is an independent Qualified Person under the meaning of NI 43-101 and is a registered Professional Geoscientist in Newfoundland (PEGNL #06962) with special authorization to practice with the Québec Order of Geologists (OGQ #365). He managed diamond drilling and surface exploration on the Martinière Property from 2012-2015 as a Project Geologist employed by Equity. He re-visited the Property in February 2018. The first author is not a director, officer or shareholder of Balmoral and has no interest in the Martinière Property or any nearby properties.

Author M. Jutras is also an independent Qualified Person under the meaning of NI 43-101 and is a Registered Professional Engineer with the Engineers and Geoscientists British Columbia (license # 24598) and a Registered Engineer with the Québec Order of Engineers (OIQ license # 38380). He is responsible for section 14.0 of this report and partly responsible for sections 1.0, 2.0 and 18.0. Mr. Jutras is the president of Ginto Consulting Incorporated and is not a director, officer or significant shareholder of Balmoral, and has no interest in the Martinière Property or any nearby properties.

<u>Grasset Property, Quebec, Canada</u>

The following description of the Grasset Property is taken from the summary contained in the Grasset Technical Report (the "Report"), dated January 12, 2016. The entire Report, a copy of which may be found on SEDAR at www.sedar.com is incorporated by reference into this AIF and should be consulted for details beyond those summarized herein. The disclosure contained below is subject to the assumptions, qualifications and procedures described in the Report.

SUMMARY

Introduction

InnovExplo Inc. ("InnovExplo") was commissioned by Balmoral Resources Ltd to complete a Technical Report and a Mineral Resource Estimate for the Grasset Property in accordance with Canadian Securities Administrators' National Instrument 43-101 Respecting Standards of Disclosure for Mineral Projects ("NI 43 101") and its related form 43-101F1. The mandate was assigned by Mr. Darin Wagner, President and CEO of Balmoral. InnovExplo is an independent mining and exploration consulting firm based in Val-d'Or (Québec).

This report is addressed to Balmoral and supports the disclosure of the mineral resource estimate for the Grasset deposit.

Property Description and Location

The Grasset Property is located in the Nord-du-Québec administrative region, approximately 50 km west-northwest of the city of Matagami, in the province of Québec, Canada.

The current Grasset Property consists of one block of three hundred ninety-eight (398) mining claims staked by electronic map designation ("map-designated cells"), covering an aggregate area of 22,057.12 ha. All claims are registered 100% in the name of Balmoral. The Grasset Property is not subject to any royalty, back-in right, or other agreement or encumbrance.

Geological Setting

The Grasset Property is located in the northwestern Archean Abitibi Subprovince in the southern Superior Province of the Canadian Shield. The Abitibi Greenstone Belt is mainly composed of volcanic units which were unconformably overlain by large sedimentary Timiskaming-style assemblages. Generally, the Abitibi Greenstone Belt comprises east-trending synclines containing volcanic rocks and intervening domes cored by synvolcanic and/or syntectonic plutonic rocks (gabbro-diorite, tonalite, and granite) alternating with east-trending turbiditic wacke bands. Normally, the volcanic and sedimentary strata dip vertically and are usually separated by abrupt, variably dipping east-trending faults. The Abitibi Greenstone Belt is intruded by numerous late-tectonic plutons composed mainly of syenite, gabbro and granite with fewer lamprophyre and carbonatite dykes. Commonly, the metamorphic grade in the Abitibi Greenstone Belt varies from the greenschist to subgreenschist facies except in the vicinity of most plutons where the metamorphic grade corresponds mainly to the amphibolite facies.

The Grasset Property lies within the Harricana-Turgeon volcano-sedimentary segment. The segment extends from the Detour Gold mine, Ontario, in the west to Matagami, Québec, in the east, and includes the Matagami, Brouillan, Joutel and Casa-Berardi mining districts. The segment is dominated by mafic volcanic rocks, followed by sedimentary and plutonic rocks. It is transected by numerous E-W trending deformation zones located either at the contacts of volcano-sedimentary units and granitoid plutons or crosscutting them. The two major northernmost faults of the Abitibi are the Sunday Lake (SLDZ) and Grasset (GDZ) deformation zones. The GDZ is the equivalent of the South Detour Deformation Zone in Ontario. The SLDZ and the GDZ are the major structural features in the area.

They are traced over 150 km from the western boundary of the Abitibi Subprovince in Ontario to the east of the Grasset Property up to the north of Matagami camp. These two faults share many characteristics with others major breaks of the Abitibi, meaning a large corridor of ductile and high strain deformation, highly altered volcanic, sedimentary, and intrusive rocks melange, including ultramafic slices and syn orogenic felsic to intermediate dykes. Apart from the gabbro and ultramafic sills and dykes, the plutons in the NW Abitibi are felsic to intermediate in composition. The sparse stratification measurements recorded north of the SDLZ indicate that the basalt flow sequence dips moderately to steeply. The fold patterns interpreted are mainly based on the magnetic heights of gabbroic and ultramafic sills and the electromagnetic conductors that characterized graphitic tuffs or sediments horizons.

The Grasset Property is covered by 50 to 100 m of glacial overburden consisting mainly of sandy and gravel outwash material and lesser boulder-rich tills. The only know outcrops on the property are located on the SW shore of the Lac Grasset where a sequence of pillowed and massive basaltic flows and gabbros have been observed. Detailed information on property-scale geology is only available for those areas that have been drilled. The correlation between drill hole information and geophysical maps contribute to recognition of certain magnetic units such as gabbroic and ultramafic rocks, low magnetic sedimentary rocks, and highly conductor graphitic horizons. Basalt of the Manthet group, located north of the SLDZ, covers about the third quarter of the Grasset Property. Magnetic gabbroic sills follow the attitude of the contact between the Abitibi and the Opatica sub-provinces.

The Grasset Ultramafic Complex (GUC) is located in the western part of the property and hosts the Ni-Cu-PGE Grasset deposit which is the subject of this report. It is formed by a stacked piles of basalts, gabbro and ultramafic sills and dykes, with minor rhyodacitic to dacitic volcaniclastics and rhyolite flows, and several narrow intercalated bands of iron formation, and graphitic argillite in apparent conformable contact relations with the overlying rock units. The general attitude of the GUC is WNW, pinched between the Jeremie Pluton and the Opatica Subprovince. Several zones of ductile deformation have been intercepted in drill holes along strike in the complex, suggesting that the NW-SE trend may correspond to a major fault, parallel to others similar faults north and south of the SLDZ. The southern portion of the complex is sheared and possibly folded by the SLDZ.

Mineralization

Gold

The recent drilling by Balmoral (2011 to 2014) outlined gold mineralization, named the Grasset Gold discovery, at the contact between the sequence of strongly deformed polylithic Timiskaming-type conglomerates and a mafic intrusive of the Manthet group, in the footwall of the SLDZ. The first hole intersected 33.00 m grading 1.66 g/t Au, including two higher grade intervals grading 6.15 g/t Au over 4.04 m and 4.18 g/t Au over 5.00 m. The mineralization is hosted in an anastomosing quartz-carbonate vein system along the contact, which is open laterally and at depth.

Nickel-Copper-PGE

Mineralization is concentrated in two stacked sulphide-bearing horizons (H1 and H3) oriented NW-SE within vertically dipping peridotite ultramafic units. Mineralization consists of metre-scale layers of net-textured, blebby semi-massive and massive sulphides. Pyrrhotite is the dominant sulphide mineral, with subordinate amounts of pentlandite, chalcopyrite and pyrite. The concentration of pentlandite and chalcopyrite is proportional to the total sulphide content. The two horizons are stacked, 25 to 50 m thick, and separated by 10 to 50 m of unmineralized ultramafic rock. Horizon 3 (H3) is defined over a strike length of roughly 500 m, and hosts the bulk of the high Ni-Cu-PGE values defined to date. Horizon 1 (H1) has been defined over a longest strike length (~900 m) and hosts moderate nickel grades (<1%) over its entire extent. Both zones are open at depth.

Data Verification

The author, Pierre-Luc Richard, visited the Grasset Property on July 13, 2015. The site visit was complemented by a review of digital documents and databases both before and after the visit.

The purpose of this site visit was to get an overview of the Grasset Project, assess the NI 43-101 compliance of the work being conducted, and provide guidelines, if needed, to ensure the project was to be ready for a 43-101 resource estimate. A drilling program was underway at the time of the site visit.

Special emphasis was placed on the following items: collar locations, QA/QC protocols, drilling protocols, validation sampling, collar downhole surveys, specific gravity review, logging protocols, interpretation methodology, sampling protocols, and exploration program overview.

Overall, InnovExplo is of the opinion that the site visit and subsequent validation exercises demonstrated the validity of the protocols in place for the Grasset Project. The database is of sufficient quality to be used for a resource estimate.

Metallurgical Testing

A preliminary metallurgical testwork report dated September 24, 2015, was authored by Mr. Andrew Kelly, P.Eng. of Blue Coast Research Ltd ("Blue Coast"). Kelly (2015) concluded the following:

- *Sulphide mineralization in Grasset material is made up of pentlandite, chalcopyrite, pyrite and pyrrhotite. The mineralized materials are nickel-rich with Ni:Cu ratios of approximately 6.5:1.*
- *Gangue mineralization is dominated by talc and magnesite, which together make up 52% of the mass in MC 1 and 67% of the mass in MC 2.*
- *Grindability tests indicate material of medium hardness.*
- *Differences in grind times between MC 1 and MC 2 indicate some variability in hardness, likely tied to the quantity of serpentine in the mineralized material*
- *Samples exhibited a low level of gravity recoverable platinum and palladium.*
- *27% of the gold could be recovered to a low grade gravity concentrate.*
- *Based on locked cycle test results using the same basic flowsheet, metallurgical performance was consistent between both master composites*
- *A soda ash based flowsheet with the addition of carboxyl-methyl cellulose (CMC) is necessary to control the readily floatable talc present in each master composite.*
- *Finer primary grinds (~65 µm) produce faster flotation kinetics and result in higher grades and recovery to the final concentrate.*
- *Good nickel concentrates could be generated at consistent grades (13.4%–13.8%) at very good overall recoveries (86%–87%).*
- *Copper recovery to the final concentrate was 94%.*
- *Minor element scans did not indicate the presence of any penalty elements in significant quantities; however, exact penalty limits should be confirmed with concentrate marketing specialists.*
- *Acid Base Accounting and Net Acid Generation tests suggest Grasset tailings produced using this flowsheet are not likely to be acid generating.*

Mineral Resource Estimate

The 2016 Grasset Mineral Resource Estimate herein was prepared by Pierre-Luc Richard, P.Geo. using all available information. The main objective of the mandate assigned by Balmoral was to produce a maiden resource estimate for the project.

The 2016 resource area measures 1,000 m along strike, 350 m wide and 600 m deep. The resource estimate is based on a compilation of recent diamond drill holes and a litho-structural model constructed in Leapfrog by Balmoral, and adapted for GEMS by InnovExplo.

The mineral resources presented herein are not mineral reserves as they have no demonstrable economic viability. The result of this study is a single Mineral Resource Estimate for two mineralized zones (H1 and H3). The estimate includes indicated and inferred resources for an underground scenario. The effective date of the estimate is January 12, 2016, based on compilation status and cut-off grade parameters.

Given the density of the processed data, the search ellipse criteria, the drill hole density, and the specific interpolation parameters, InnovExplo is of the opinion that the current internal mineral resource estimate can be classified as Indicated and Inferred resources. The estimate is compliant with CIM standards and guidelines for reporting mineral resources and reserves.

Table 1.1 displays the results of the In Situ Mineral Resource Estimate for the Grasset Project (2 mineralized zones) at the official 1.00% NiEq cut-off grade.

Table 1.1 – Grasset Project Mineral Resource Estimate at a 1.00% NiEq cut-off grade

	> 1.00 % NiEq	Tonnes (t)	NiEq (%)	Ni (%)	Cu (%)	Co (%)	Pt (g/t)	Pd (g/t)	Contained NiEq (lbs)	Contained Ni (lbs)	Contained Cu (lbs)	Contained Co (lbs)	Contained Pt (oz)	Contained Pd (oz)
INDICATED	Horizon 1	35,900	1.09	0.98	0.11	0.03	0.16	0.38	865,800	772,600	84,100	22,700	200	400
	Horizon 3	3,416,600	1.80	1.57	0.17	0.03	0.34	0.85	135,413,200	118,316,800	13,148,000	2,317,600	37,700	93,000
	Total Indicated	**3,452,500**	**1.79**	**1.56**	**0.17**	**0.03**	**0.34**	**0.84**	**136,279,000**	**119,089,400**	**13,232,100**	**2,340,300**	**37,900**	**93,400**
INFERRED	Horizon 1	4,700	1.08	0.96	0.11	0.03	0.17	0.39	111,500	99,400	11,700	3,100	100	100
	Horizon 3	86,400	1.20	1.06	0.11	0.02	0.20	0.48	2,282,400	2,027,600	217,100	45,900	600	1,300
	Total Inferred	**91,100**	**1.19**	**1.06**	**0.11**	**0.02**	**0.20**	**0.48**	**2,393,900**	**2,126,900**	**228,700**	**49,000**	**600**	**1,400**

- *The Independent and Qualified Persons (QPs) for the Mineral Resource Estimate, as defined by National Instrument 43-101, are Pierre-Luc Richard, P.Geo., M.Sc., and Carl Pelletier, P.Geo., B.Sc., both of InnovExplo Inc. The effective date of the estimate is January 12, 2016*
- *These mineral resources are not mineral reserves as they do not have demonstrated economic viability.*
- *While the results are presented undiluted and in situ, the reported mineral resources are considered to have reasonable prospects for eventual economic extraction.*
- *The estimate includes two mineralized zones (Horizon 1 and Horizon 3).*
- *Resources were compiled at NiEq cut-off grades of 0.30%, 0.40%, 0.50%, 0.60%, 0.70%, 0.80%, 0.90%, 1.00%, 1.10%, 1.20%, 1.30%, 1.40%, 1.50% and 2.00%. The official resource potential is reported at a 1.00% NiEq cut-off grade.*
- *Cut-off calculations used (Canadian dollars): Mining= $48.00; Maintenance= $6.00; G&A= $10.00, Processing= $22.00. Total operating costs amount to $86.00. A dilution factor of 7.5% was also applied to the cut-off grade calculation.*
- $NiEq = [[(Ni_{Grade(\%)} \times Ni_{CR(\%)} \times Ni_{Payable(\%)} \times Ni_{Price(\$)}) + (Cu_{Grade(\%)} \times Cu_{CR(\%)} \times Cu_{Payable(\%)} \times Cu_{Price(\$)}) + (Co_{Grade(\%)} \times Co_{CR(\%)} \times Co_{Payable(\%)} \times Co_{Price(\$)})] \times 2205 + [(Pt_{Grade(g/t)} \times Pt_{CR(\%)} \times Pt_{Payable(\%)} \times Pt_{Price(\$)}) + (Pd_{Grade(g/t)} \times Pd_{CR(\%)} \times Pd_{Payable(\%)} \times Pd_{Price(\$)})] / 31.1035 - Cr_{Penalty(\$)}] / (Ni_{Payable(\%)} \times Ni_{CR(\%)} \times Ni_{Price(\$)} \times 2205)$*; where CR(%) is a variable concentrate recovery ratio derived from metallurgical balance study, and Payable(%) is applied on concentrates. Note that a minimum deduction of 0.20% Co was applied on concentrate.*
- *NiEq calculations used: USD/CAD exchange rate of 1.14, Nickel price of US$6.56/lb, Copper price of US$2.97/lb, Cobalt price of US$13.00/lb, Platinum price of US$1,302.30/oz, and Palladium price of US$737.20/oz (These are 3-year trailing averages calculated at the effective date); Payable of 70% for Nickel, 75% for Copper, 75% for Cobalt (minimum deduction of 0.20%), 45% for Platinum, and 45% for Palladium applied on expected concentrate based on analysis of available smelting and refining cost parameters*
- *Cut-off and NiEq calculations would have to be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, smelting terms, and mining costs).*
- *Density values were estimated for all lithological units from measured samples. Density values for the Horizon 1 and Horizon 3 (H1 and H3) mineralized zones were interpolated from measured and calculated density databases. The calculated database is derived for a selection of metals (Ni, Fe, Co) yielding the best correlation with the measured database.*
- *The resource was estimated using GEMS v.6.7. The estimate is based on 111 diamond drill holes (39,999.43 m). A minimum true thickness of 3.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.*
- *High grade capping was done on raw assay data and established on a per zone basis for Nickel (15.00%), Copper (5.00%), Platinum (5.00g/t) and Palladium (8.00g/t). Capping grade selection is supported by statistical analysis.*
- *Compositing was done on drill hole sections falling within the mineralized zones (composite = 1.0 m).*
- *Resources were evaluated from drill holes using a 3-pass ID2 interpolation method in a block model (block size = 5 x 5 x 5 m).*
- *The mineral resources presented herein are categorized as Indicated and Inferred based on drill spacing, geological and grade continuity. Based on the nature of the mineralization, a maximum distance to the closest composite of 50 m was used for Indicated resources. The average distance to the nearest composite is 22.9 m for the Indicated resources and 53.6 m for the Inferred resources.*
- *Ounce (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t). Metal contents are presented in ounces and pounds.*
- *The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects*
- *The quantity and grade of reported Inferred resources in this Mineral Resource Estimate are uncertain in nature, and there has been insufficient exploration to define these Inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to these categories.*
- *CIM definitions and guidelines for mineral resources have been followed.*
- *The QPs are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue that could materially affect the Mineral Resource Estimate.*

Interpretations and Conclusions

The objective of InnovExplo's mandate was to complete a Technical Report and a maiden Mineral Resource Estimate on the Ni-Cu-PGE Grasset deposit according to National Instrument 43-101 ("NI 43-101") and Form 43-101F1. A model was generated for the entire drilled area of the Grasset deposit, based on all available geological information and analytical results.

Following a detailed review of all pertinent information and after completing the 2016 Mineral Resource Estimate, InnovExplo concludes the following:

- *Geological and grade continuity were demonstrated for the two mineralized zones of the Grasset deposit.*
- *Using a cut-off grade of 1.00% NiEq, the estimate of Indicated Resources stands at 3,452,500 tonnes grading 1.79% NiEq for 136,279,000 lbs NiEq, and Inferred Resources at 91,100 tonnes grading 1.19% NiEq for 2,393,900 lbs NiEq.*
- *It is likely that additional diamond drilling would upgrade some of the Inferred Resources to Indicated Resources.*
- *It is likely that additional diamond drilling would identify additional resources down plunge and in the surroundings of the currently identified mineralization.*

Recommendations

Based on the results of the 2016 Mineral Resource Estimate, InnovExplo recommends the Grasset Project be advanced to the next phase, which would be the preparation of a preliminary economic assessment (PEA).

In parallel with the PEA, more work is warranted, as detailed below.

The company should complete a property-scale compilation and a target generation program.

Additional drilling should target the down-plunge extensions of the currently identified areas of interest described in this Technical Report. An additional objective would be the discovery of additional zones elsewhere on the Grasset Property.

InnovExplo also recommends initiating a stakeholder mapping and communication plan. Based on the results of this study, appropriate actions (to be determined) should be carried out.

If additional work proves to have a positive impact on the project, the current resource estimate should be updated.

InnovExplo has prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the Grasset Project. Expenditures for Phase 1 are estimated at C$2,041,250 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$2,392,000 (incl. 15% for contingencies). The grand total is C$4,433,250 (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

Qualified Person(s)

Mr. Pierre-Luc Richard, P.Geo, M.Sc. and Mr. Bruno Turcotte, P.Geo.

<u>Proposed 2016 Exploration Work Program</u>

Based on the results of the 2016 Mineral Resource Estimate, InnovExplo has recommended that the Grasset Project be advanced to the next phase, which would be the preparation of a preliminary economic assessment (PEA).

In parallel with the PEA, more work is warranted, as detailed below by InnovExplo.

- *The company should complete a property-scale compilation and a target generation program.*
- *Additional drilling should target the down-plunge extensions of the currently identified areas of interest described in this Technical Report. An additional objective would be the discovery of additional zones elsewhere on the Grasset Property.*
- *InnovExplo also recommends initiating a stakeholder mapping and communication plan. Based on the results of this study, appropriate actions (to be determined) should be carried out.*

If additional work proves to have a positive impact on the project, the current resource estimate should be updated.

In summary, InnovExplo has recommended a two-phase work program as follows:

Phase 1:

- *Produce a PEA*
- *Initiate a property-scale compilation and target generation program*
- *Initiate a surface drilling program to potentially upgrade resources on the Grasset deposit*
- *Generate a stakeholder map and a communication plan*

Phase 2 (contingent upon success of Phase 1):

- *Follow-up on the surface drilling program on the Grasset deposit to potentially upgrade resource categories*
- *Initiate a surface drilling program outside the Grasset deposit area to potentially identify new mineralization on the Grasset Property*
- *Update the 3D model and resource estimate*

InnovExplo prepared a cost estimate for the recommended two-phase work program to serve as a guideline for the Grasset Project. The budget for the proposed program is presented in Table 26.1. Expenditures for Phase 1 are estimated at C$2,041,250 (incl. 15% for contingencies). Expenditures for Phase 2 are estimated at C$2,392,000 (incl. 15% for contingencies). The grand total is C$4,433,250 (incl. 15% for contingencies). Phase 2 is contingent upon the success of Phase 1.

Table 26.1 – Estimated costs for the recommended work program

	Phase 1 - Work Program	Budget	
		Description	Cost
1a	Preliminary economic assessment (PEA) on current resources		$ 200,000
1b	Property-scale compilation and target generation		$ 25,000
1c	Surface drilling on the Grasset deposit (all-inclusive)	15,000 m	$ 1,500,000
1e	Stakeholder mapping, communication plan		$ 50,000
	Contingencies (~ 15%)		$ 266,250
	Phase 1 subtotal		**$ 2,041250**

	Phase 2 - Work Program	Budget	
		Description	Cost
2a	Follow-up on surface drilling on the Grasset deposit (all inclusive)	10,000 m	$ 1,000,000
2b	Surface drilling outside the Grasset deposit (all inclusive)	10,000 m	$ 1,000,000
2d	3D model and resource estimate update		$ 80,000
	Contingencies (~ 15%)		$ 312,000
	Phase 1 subtotal		**$ 2,392,000**
	TOTAL (Phase 1 and Phase 2)		**C$ 4,433,250**

Due to the depressed state of the nickel market the Company ceased any significant work on the Grasset property during 2016. The Company is currently pursuing several of the recommendations made by InnovExplo including property scale compilation and target generation and on-going stakeholder communications. Additional drilling on the Grasset deposit and other nickel exploration targets within the GUC, and the preparation of a PEA, will be reviewed depending on pervailing conditions in the nickel market which improved markedly in late 2017.

Other Properties

The Company has several other exploration properties. The Company continues to evaluate a number of new targets for testing on these properties and proposes to advance these targets through the exploration process in order to identify drill targets and test them. The Company is constantly looking for other opportunities that could offer it the potential to meet its exploration objectives.

DIVIDENDS

There are no restrictions which prevent the Company from paying dividends. The Company has not paid any dividends in the last three financial years. The Company has no present intention of paying any dividends, as it anticipates that all available funds will be invested to finance the growth of its business. The Directors of Balmoral will determine if and when dividends should be declared and paid in the future, based on the Company's financial position at the relevant time.

DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The authorized capital of Balmoral is an unlimited number of Common Shares, of which 138,510,776 were issued as at December 31, 2017 and at March 29, 2018

The holders of Common Shares are entitled to receive notice of and attend all meetings of shareholders, with each Common Share held entitling the holder to one vote on any resolution to be passed at such shareholder meetings. The holders of Common Shares are entitled to dividends if, as and when declared by the Board of Directors of Balmoral. The Common Shares are entitled, upon liquidation, dissolution or winding up of Balmoral, to receive the remaining assets of Balmoral available for distribution to shareholders.

MARKET FOR SECURITIES

The Company's Common Shares are listed on the TSX under the symbol "BAR". The Common Shares are also quoted in the United States on the OTCQX (symbol "BALMF") and on the Borse Frankfurt Exchange ("BOR").

Trading Price and Volume

The following table provides information as to the high, low and closing prices of the Common Shares on the TSX (being the Company's principal trading market) from January 1, 2017, during the balance of the most recently completed financial year end and the 3 months since the most recent financial year end, as well as the volume of shares traded for each month and during such period:

TSX

Month	*High ($)*	*Low ($)*	*Close ($)*	*Volume*
January, 2017	$0.95	$0.71	$0.88	5,693,025
February, 2017	$0.98	$0.78	$0.79	4,999,248
March, 2017	$0.83	$0.72	$0.77	3,387,271
April, 2017	$0.86	$0.68	$0.72	2,436,771
May, 2017	$0.75	$0.67	$0.67	2,156,176
June, 2017	$0.71	$0.65	$0.68	1,930,529
July, 2017	$0.70	$0.63	$0.68	1,761,798
August, 2017	$0.67	$0.55	$0.64	2,650,565
September, 2017	$0.69	$0.56	$0.60	1,987,504
October, 2017	$0.60	$0.46	$0.49	3,235,915
November, 2017	$0.52	$0.42	$0.46	3,828,145
December, 2017	$0.57	$0.42	$0.55	8,256,893
January, 2018	$0.56	$0.44	$0.46	6,884,261
February, 2018	$0.47	$0.38	$0.46	3,609,249
March 1 - 28, 2018	$0.48	$0.28	$0.29	8,836,015

ESCROWED SECURITIES

There are no securities of the Company subject to escrow.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The names, positions or offices held with Balmoral as at March 29, 2018, province/state and country of residence, and principal occupation over the last five years of the directors and executive officers of Balmoral are as follows:

Name, Position and Province/State and Country of Residence[1]	Principal Occupation During the Past 5 Years[1]	Period of Service as an Officer or Director[2]
WAGNER, DARIN [5] President, Chief Executive Officer and Director British Columbia, Canada	Professional Geologist (Ont., B.C., Restricted Permit Quebec); President, Chief Executive Officer and Director of Balmoral since April 26, 2010. Director of Palamina Corp., a TSXV listed natural resource company; Director/Chairman of VR Resources Ltd. a TSXV listed natural resource company. Past Director of Falco Pacific Resource Group Inc. and Castle Mountain Mining Company Limited, both public natural resource companies.	President and Chief Executive Officer since April 26, 2010 Director since April 26, 2010
TALBOT, LAWRENCE [3] [4] [5] [6] Director British Columbia, Canada	Barrister and Solicitor, BC; Director of Minaurum Gold Inc., since March 2011; Director of Cardero Resource Corp., April, 2003 to September, 2012 and of Avarone Metals Inc., January 2001 to February 6, 2014; and of Pedro Resources Ltd., from January 2011 to March 2018; General Counsel of International Tower Hill Mines Ltd. from September 2006 to October, 2017; Vice-President and General Counsel of Corvus Gold Ltd., April 2010 to October, 2014 and Wealth Minerals Ltd. July, 2006 to January 2017, all public natural resource companies.	Director since April 1, 2010
CURRIE, GRAEME[3] [4] [5] [6] Director British Columbia, Canada	Businessman; Self-employed corporate consultant. Director/Chairman of Pure Gold Mining Inc., a public junior natural resource company since March 4, 2014. Director of Investment Banking, Canaccord Genuity until August 2012.	Director since January 13, 2014
MACINNIS, DANIEL[3] [4] [5] [6] Chairman and Director British Columbia, Canada	Businessman; Geologist; Acc.Dir.; Self-employed corporate consultant since October 2013. formerly President & CEO of MAG Silver Corp. from February 1, 2005 to October 2013, he remains a current Director; Chairman of Group Eleven Resources Corp since 2017 and was previously a. Director of MAX Resources Corp. from December, 2005 to December, 2015.	Director since February 5, 2014

Name, Position and Province/State and Country of Residence[(1)]	Principal Occupation During the Past 5 Years[(1)]	Period of Service as an Officer or Director[(2)]
DISHER, BRYAN Director British Columbia, Canada	Chartered Professional Accountant, Chartered Accountant; ICD.D Self-employed corporate consultant since June 2015. Director of Lexington Biosciences, Inc, a development stage medical device company operating within the healthcare industry, since December 12, 2016. Partner with PricewaterhouseCoopers from 1991 until retirement in June 2015. From 1978 to 2015 with PricewaterhouseCoopers Canada, Australia and Ukraine.	Director since March 9, 2016
WU, PEGGY Chief Financial Officer British Columbia, Canada	Chartered Professional Accountant, Chartered Accountant; CFO of Corvus Gold Inc. since June 1, 2011; CFO of Indico Resources Ltd. since October 15, 2010, all public natural resource companies. Controller of Cardero Resource Corp. from 2010 to June 2013, a public natural resource company. Previously Senior Staff Accountant and Supervisor at Smythe LLP, Chartered Professional Accountants, from 2007 to 2010.	Chief Financial Officer since December 15, 2013
MANN, RICHARD Vice President, Exploration British Columbia, Canada	Vice President, Exploration of Balmoral Resources Ltd. since January 17, 2013. Manager, Exploration for Balmoral from January 2011 to January 2013. Senior Geologist for Barrick Gold Corporation from February 2007 to December 2010.	Vice President, Exploration since January 17, 2013
FOULKES, JOHN Vice President, Corporate Development British Columbia, Canada	Businessman; Vice President, Corporate Development of Balmoral Resources Ltd. since February 23, 2015. Former Vice President, Corporate Development and Officer of Candente Copper, Candente Gold and Cobriza Metals from January 2010 until October 2012.	Vice President, Corporate Development since February 23, 2015

Notes:

(1) The information as to place of residence and principal occupation, not being within the knowledge of Balmoral, has been furnished by the respective directors and executive officers individually

(2) All Directorships expire at the next annual general meeting of the shareholders of Balmoral. All officers hold office at the pleasure of the Board of Directors

(3) Denotes member of the Audit Committee

(4) Denotes member of the Compensation Committee

(5) Denotes member of the Sustainable Development Committee

(6) Denotes member of the Corporate Governance and Nominating Committee

Balmoral does not have any board committees other than the committees noted above.

As at March 29, 2018, Balmoral's directors and executive officers, as a group, beneficially hold a total of 3,321,624 Common Shares, directly or indirectly, representing 2.3% of the issued Common Shares. Balmoral's directors and executive officers, as a group, also hold the following incentive stock options to purchase up to the following numbers of Common Shares until the dates shown:

Number of Options to Purchase Common Shares	Exercise Price per Common Share	Expiry Date
1,489,000	$0.78	March 2, 2022
1,400,000	$0.60	March 14, 2021
360,000	$0.77	June 18, 2020
300,000	$0.61	February 5, 2019
2,245,000	$0.60	January 23, 2019

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

1. No Director or executive officer of Balmoral is, as at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Balmoral) that:

   (a) was subject to an order that was issued while the Director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer;

   (b) was subject to an order that was issued after the Director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

   For the purposes, hereof, the term "**order**" means:

   (c) a cease trade order;

   (d) an order similar to a cease trade order; or

   (e) an order that denied the relevant company access to any exemption under securities legislation.

   that was in effect for a period of more than 30 consecutive days.

2. No Director or executive officer of Balmoral, or a shareholder holding a sufficient number of securities of Balmoral to affect materially the control of Balmoral:

   (a) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including Balmoral) that, while such person was acting in such capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or

   (b) has, within ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the Director, executive officer or shareholder.

3. No Director or executive officer of Balmoral, or a shareholder holding a sufficient number of securities of Balmoral to affect materially the control of Balmoral, has been other than disclosed below, subject to:

   (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

   (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

   In October of 2017 the Company and the Company's President and CEO reached a settlement agreement with the Ordre des Geologues du Quebec, a self-regulating body governing the practice of geology in the Province of Quebec, whereby the Company and the Company's President and CEO each plead guilty to two charges brought under the Code des Professions du Quebec pertaining to the use of certain Professional Geoscientists and Geologists in Training, who were registered in at least one jurisdiction in Canada, but who were not also registered in Québec, in preparation of certain reports submitted by the Company to the Government of Quebec for assessment purposes and signed by the Company's President and CEO.

Conflicts of Interest

Certain Directors and executive officers of Balmoral are directors, officers and/or shareholders of other private and publicly listed companies, including companies that engage in mineral exploration and development. To the extent that such other companies may participate in or be affected by ventures involving Balmoral, these Directors and executive officers of Balmoral may have conflicting interests in negotiating, settling and approving the terms of such ventures. Conflicts of interest affecting the Directors and executive officers of Balmoral will be governed by Balmoral's "Code of Business Conduct and Ethics", the Articles of Balmoral and the provisions of the BCBCA and other applicable laws. In the event that such a conflict of interest arises at a meeting of the Directors, a Director affected by the conflict must disclose the nature and extent of his interest and abstain from voting for or against matters concerning the matter in respect of which the conflict arises. Directors and executive officers are required to disclose any conflicts or potential conflicts to the Board of Directors as soon as they become aware of them.

PROMOTERS

Balmoral does not presently have and has not within the last two completed financial years had, any promoters.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Save as outlined below the Company is not currently and has not since January 1, 2017 (being the commencement of the Company's last competed financial year) been, a party to any legal proceedings, nor is any of the Company's properties presently, or has, since January 1, 2017 (being the commencement of the Company's last competed financial year), been subject to any legal proceedings.

On June 30, 2016, the Company and the Company's President and CEO received 52 co-jointed statements of offence issued by the Ordre des Geologues du Quebec under Code des Professions pertaining to the use of certain Professional Geoscientists and registered Geologists in Training in preparation of 5 separate reports submitted by the Company to the Government of Quebec for assessment purposes and signed by the Company's President.

The fine sought against the Company was $156,000 ($3,000 per offence) plus any court fees if granted by the court. During October of 2017, the Company reached a settlement with the Ordre. Under the terms of the settlement agreement the Company and the Company's President and CEO each plead guilty to 2 offences under the Code des Professions, all other statements of offence against the Company and the Company's President and CEO were withdrawn. The Company paid out a total of $66,056 in settlement of the matter on its behalf and on behalf of the President and CEO comprised of $9,056 to the Minister of Finance of Quebec in relation to the charges and a separate amount of $57,000 to the Ordre as an out of court settlement.

Regulatory Actions

There have not been any:

1. penalties or sanctions imposed against Balmoral by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2017;

2. other penalties or sanctions imposed against Balmoral by a court relating to securities legislation or by a securities regulatory authority that would likely be considered important to a reasonable investor making an investment decision; or

3. settlement agreements entered into by Balmoral before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2017.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No:

1. Director or executive officer of the Company;

2. person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Common Shares; or

3. associate or affiliate of any of the persons or companies referred to in paragraphs 1 or 2.

(each, an "Informed Person"),

has, within the three most recently completed financial years of the Company (since December 31, 2014) or during the current financial year, had any material interest, direct or indirect, in any transaction that has materially affected, or will materially affect, the Company.

TRANSFER AGENT AND REGISTRAR

Balmoral's transfer agent and registrar is Computershare Investor Services Inc. Transfers may be effected at, and registration facilities are maintained at:

1. in British Columbia, 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; and

2. in Ontario, 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1.

MATERIAL CONTRACTS

Other than in the ordinary course of the Company’s business of mineral property evaluation, acquisition and divestiture and exploration, including raising the funding therefore, there are no material contracts that have been entered into by the Company since January 1, 2017 (being the commencement of the Company’s most recently completed financial year) that are still in effect and that require filing under Section 12.2 of National Instrument 51-102.

NAMES AND INTERESTS OF EXPERTS

The following persons, firms and companies are named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under National Instrument 51-102 - *Continuous Disclosure Obligations* by the Company herein and during, or relating to, the Company’s most recently completed financial year beginning on January 1, 2017 and whose profession or business gives authority to the report, valuation, statement or opinion made by the person, firm or company.

Name	Description
Mr. Marc Jutras (P.Eng., M.A.Sc.) Ginto Consulting Inc.	Mr. Marc Jutras of Guinto Consulting Inc. is an independent Qualified Person for the Martiniere Gold Project, 2018 Mineral Resource Estimation Technical (NI 43-101) Report.
Mr. Ronald J. Voordouw (P.Geo., Ph.D.) Equity Exploration Consultants Ltd.	Mr. Ronald J. Voordouw of Equity is an independent Qualified Person for the 2018 Technical (NI 43-101) Report on the Martiniere Property.
Mr. Pierre-Luc Richard (P.Geo., M.Sc.) InnovExplo Inc. Val-d’Or, Quebec	Mr. Richard is an independent Qualified Person for the Technical Report and Mineral Resource Estimate for the Grasset Ni-Cu-PGE Deposit as defined by NI 43-101. The effective date of the Technical Report and Estimate is January 12, 2016.
Mr. Bruno Turcotte (P.Geo.) InnovExplo Inc. Val-d’Or, Quebec	Mr. Turcotte is an independent Qualified Person for the Technical Report for the Grasset Property, as defined by NI 43-101. The effective date of the Technical Report is January 12, 2016.
Smythe LLP, Chartered Professional Accountants Vancouver, BC	Provided a) an auditors’ report dated March 22, 2018 in respect of the Company’s financial statements for the years ended December 31, 2017 and 2016 and incorporated by reference into this AIF.

To the knowledge of the Company, none of the experts named in the foregoing section held, at the time they prepared or certified such statement, report or valuation, received after such time or will receive any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or one of the Company's associates or affiliates.

Smythe LLP is the auditor of the Company and reports that it is independent from the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Audit Committee Information

Under National Instrument 52-110, companies that are required to file an Annual Information Form are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to Balmoral is provided in Schedule "A".

Additional Information

Additional information relating to Balmoral may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Balmoral's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Information Circular. Additional financial information is available in the Financial Statements and MD&A.

A copy of this AIF, the Financial Statements and the MD&A, together with any interim statements and accompanying management discussion and analysis from the current or past financial year, may be found on the SEDAR website at www.sedar.com or be obtained upon request from the Corporate Secretary of Balmoral.

SCHEDULE “A”

AUDIT COMMITTEE INFORMATION

The following is the text of the company’s audit committee charter:

BALMORAL RESOURCES LTD.

AUDIT COMMITTEE CHARTER

(Adopted by the Board of Directors on November 14, 2006)

Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.

- Review and appraise the performance of the Company’s external auditors.

- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum of three (3) Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least once annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

<u>Documents/Reports Review</u>

(a) Review and update this Charter annually.

(b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

<u>External Auditors</u>

(a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

(b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

(c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

(d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

(e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

(f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company’s accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

(g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

(i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company’s external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

(a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

(b) Consider the external auditors’ judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.

(c) Consider and approve, if appropriate, changes to the Company’s auditing and accounting principles and practices as suggested by the external auditors and management.

(d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

(e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

(f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

(g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

(h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

(i) Review certification process.

(j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review, with the Company’s counsel, any legal matters that could have a significant impact on the Company’s financial statements and to review any related-party transactions.”

Composition of the Audit Committee

Balmoral's Audit Committee is made up of the following Directors:

Lawrence Talbot	Independent(1)	Financially literate(2)
Graeme Currie	Independent(1)	Financially literate(2)
Daniel MacInnis	Independent(1)	Financially literate(2)
Bryan Disher	Independent(1)	Financial expert(3)

(1) An individual is independent if he has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Company's Board of Directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(2) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

(3) A financial expert must: 1) understand International Financial Reporting Standards and financial statements; 2) be experienced in preparing or auditing financial statements of comparable companies; 3) have experience accounting for estimates, accruals, and reserves; 4) understand internal accounting controls; and 5) understand the functions of an audit committee.

Relevant Education and Experience

The experience and education of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is as follows:

Lawrence Talbot is a mining lawyer with over 29 years' experience representing a wide range of clients in the mining industry, from individual prospectors and junior and mid-size explorers and producers through to major mining companies, in both the hard-rock and industrial mineral fields. Mr. Talbot has been a director, and member of the audit committee, of a number of public companies similar to Balmoral and, in such roles, has been involved in the review and determination of the accounting principles relevant to public natural resource companies (including in connection with the conversion to IFRS), interpreting and assessing the financial statements of public natural resource companies and the development and analysis of internal controls and procedures for financial reporting.

Graeme Currie joined Pure Gold Mining Inc. as a Director/Chairman in March, 2014 and previously served as Director, Investment Banking at Canaccord Genuity Limited where he concentrated specifically on the junior mining sector. He retired from Canaccord in August 2012. Prior to his role in investment banking Mr. Currie was with Canaccord as a Senior Mining Analyst for over 22 years, focusing specifically on the junior mining sector. Mr. Currie brings to the Board over three decades of experience evaluating junior exploration and development companies worldwide and extensive knowledge of the capital markets as they relate to the mineral exploration and development industry.

Daniel MacInnis retired as the President and CEO of TSX-listed MAG Silver Corp. in October, 2013, he remains a Director of the Company. During his tenure at MAG, he directed the financing of over $140 million dollars. He has also managed and directed multi-million-dollar exploration programs for MAG Silver and has extensive global experience in property acquisitions and joint venture, management and operation. Mr. MacInnis has extensive experience with the review and understanding of the accounting principles relevant to the financial statements of public natural resource companies.

Bryan Disher spent 38 years with PricewaterhouseCoopers in Canada, Australia and Ukraine. He was admitted to partnership in PwC Canada in 1991 and from 2011 until his retirement in June 2015 was a partner with PwC Central and Eastern Europe, where he served as both Managing Partner of its 400+ person Ukrainian practice and leader of its Ukrainian audit and assurance group. Bryan worked in PwC's Mining and Metals practice in Canada and Ukraine, serving both privately held and Canadian and US listed companies. He has assisted companies with initial public offerings and secondary offerings in both Canada and the US, going private transactions, acquisitions, audit, financial reporting and regulatory compliance and filings.

Reliance on Certain Exemptions

At no time since January 1, 2017, being the commencement of Balmoral's most recently completed financial year, has it relied on the exemptions in the following sections of National Instrument 52-110:

1. Section 2.4 (De Minimis Non-audit Services);
2. Section 3.2 (Initial Public Offerings);
3. Section 3.3(2) (Controlled Companies);
4. Section 3.4 (Events Outside Control of Member);
5. Section 3.5 (Death, Disability or Resignation of Audit Committee Member);
6. Section 3.6 (Temporary Exemption for Limited and Exceptional Circumstances);
7. Section 3.8 (Acquisition of Financial Literacy); or
8. an exemption from National Instrument 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

Audit Committee Oversight

At no time since January 1, 2017, being the commencement of Balmoral's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board of Directors to review the performance of Balmoral's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by Balmoral. The Chairman of the Audit Committee is authorized to approve, in advance, any non-audit services or additional work which the Chairman deems as necessary and is required to notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for professional services rendered are as follows:

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2017	$30,000	Nil	$3,000	Nil
2016	$27,000	Nil	$9,600	Nil

(1) The aggregate audit fees billed for the audit of the financial statements during the fiscal year indicated.

(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".

(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. The work performed in each year was assistance in the preparation and review of Balmoral's tax returns.

(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".