

# **BALMORAL RESOURCES LTD.**

## **MAJORITY VOTING POLICY**

(Adopted by the Board of Directors on September 20, 2013)

The Board of Directors (the "Board") of Balmoral Resources Ltd. (the "Company") believes that each of its members should carry the confidence and support of its shareholders. To this end, the Board has unanimously adopted this "Majority Voting in Director Elections" policy, which provides that each nominee for director should be elected by a majority of the shares represented in person or by proxy at any shareholder's meeting involving the election of directors. Future nominees for election to the Board will be required to confirm that they will abide by this policy. Pursuant to this policy, the forms of proxy for voting at a meeting of the shareholders of the Company (each a "Shareholder" and collectively, the "Shareholders") where directors are to be elected will permit each Shareholder to vote in favour of, or to withhold from voting, separately for each director nominee. The Board will ensure that the number of votes in favour of or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If the number of votes "withheld" for a particular director nominee is greater than the votes "in favour" of such nominee (a "Majority Withheld Vote"), such director nominee shall be required to promptly submit his/her resignation to the Board following the applicable Shareholders' meeting, effective upon acceptance by the Board.

The Board will refer the resignation to the Corporate Governance and Nominating Committee (the "Committee"). Following receipt of a resignation submitted pursuant to this policy, the Committee shall consider whether or not to accept the resignation and shall recommend to the Board whether or not to accept it. In considering whether or not to accept the resignation, the Committee will consider all factors deemed relevant by members of the Committee including, without limitation, the stated reasons, if any, why Shareholders withheld votes from the election of that nominee, the size of the voter turnout at the applicable meeting, the length of service and the qualifications of the director whose resignation has been submitted, such director's contributions to the Company and the effect that such director's resignation may have on the Company's ability to comply with any applicable governance rules and guidelines, including the Company's own governance guidelines, and the dynamics of the Board.

Within ninety (90) days following the applicable Shareholders' meeting, the Board shall make its decision whether or not to accept such resignation, based upon the Committee's recommendation. In considering the Committee's recommendation, the Board will consider the factors considered by the Committee and such additional information and factors that the Board considers to be relevant. Following the Board's decision on the resignation, the Board shall

publicly disclose their decision whether to accept the applicable director's resignation including the reasons for rejecting the resignation, if applicable.

If a resignation is accepted, subject to any corporate law restrictions, the Board may:

- a. leave the resultant vacancy in the Board unfilled until the next annual meeting of Shareholders;
- b. fill the vacancy by appointing a director whom the Board considers to merit the confidence of the Shareholders; or
- c. call a special meeting of the Shareholders to consider the election of a nominee recommended by the Board to fill the vacant position.

A director who tenders his/her resignation pursuant to this majority voting policy shall not be permitted to participate in any meetings of the Board or the Committee at which his/her resignation is to be considered.

If a sufficient number of the Committee members receive a Majority Withheld Vote in the same election such that the Committee no longer has a quorum, then the remaining members of the Committee, if any, shall not consider the resignation(s) and the Board shall consider whether or not to accept the resignation(s) without a recommendation from the Committee.

If a sufficient number of the Board members receive a Majority Withheld Vote in the same election, such that the Board no longer has a quorum, then such directors receiving a Majority Withheld Vote shall not be permitted to vote in any meeting of the Board at which his/her resignation is considered, however he/she shall be counted for the purpose of determining whether the Board has quorum.

If any director who receives a Majority Withheld Vote does not tender his/her resignation in accordance with this policy, he/she will not be re-nominated by the Board for election at the next meeting of the Shareholders.

The Committee and Board may adopt such procedures as they see fit to assist it in their determinations with respect to this policy.

This policy applies only in the case of an uncontested shareholders' meeting, meaning a meeting where the number of nominees for election as directors is equal to the number of directors to be elected.