TSX: BAR
OTCQX: BALMF
BALMORAL
RESOURCES

2015 ANNUAL GENERAL MEETING	Notice of Annual General Meeting of Shareholders Management Information Circular
Place:	Balmoral Resources Ltd. Main Boardroom 2300 – 1177 West Hastings Street Vancouver, BC V6E 2K3
Time:	2:00 p.m. (Vancouver time)
Date:	June 12, 2015

BALMORAL RESOURCES LTD.

CORPORATE DATA

Head Office
Suite 2300 – 1177 West Hastings Street
Vancouver BC V6E 2K3

Directors and Officers
Darin Wagner, President & Chief Executive Officer, Director
Lawrence Talbot, Director
Graeme Currie, Director
Daniel MacInnis, Director
Peggy Wu, Chief Financial Officer
Sue Chipperfield, Corporate Secretary
Richard Mann, Vice President, Exploration
John Foulkes, Vice President, Corporate Development

Registrar and Transfer Agent
Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor,
Vancouver BC V6C 3B9

Legal Counsel (Canada)
Gowling Lafleur Henderson LLP
2300 – 550 Burrard Street
Vancouver BC V6C 2B5

Legal Counsel (U.S.)
Dorsey & Whitney LLP
Columbia Center
701 Fifth Avenue Suite 6100
Seattle, WA 98104-7043

Auditor
Smythe Ratcliffe LLP
700 – 355 Burrard Street
Vancouver BC V6C 2G8

Listing
Toronto Stock Exchange
Symbol "BAR"

OTCQX
Symbol "BALMF"

BALMORAL RESOURCES LTD.

Suite 2300 – 1177 West Hastings Street
Vancouver, British Columbia
Canada V6E 2K3

NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2015 annual general meeting (the "**Meeting**") of the shareholders of **BALMORAL RESOURCES LTD.** (the "**Company**") will be held in the Boardroom of the Company's offices at Suite 2300 – 1177 West Hastings Street, Vancouver, British Columbia, on June 12, 2015 at the hour of **2:00 p.m. (Vancouver Time)** for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended December 31, 2014 (with comparative statements relating to the previous fiscal year), together with the report of the Auditors thereon;

2. To elect the directors of the Company for the ensuing year;

3. To appoint Smythe Ratcliffe LLP, Chartered Accountants, as auditors of the Company for the fiscal year ending December 31, 2015 and to authorize the directors to fix their remuneration; and

4. To transact such further or other business as may properly come before the meeting and any adjournment or adjournments thereof.

This year, as described in the notice and access notification mailed to the shareholders, the Company is using the notice and access model for delivering this Notice and the Information Circular to shareholders, which substantially reduces the paper used in printing this Notice and the Information Circular as well as printing and mailing costs. This Notice and the Information Circular will be available on the Company's website at www.balmoralresources.com and under the Company's profile at www.sedar.com or by request made to the Company.

Shareholders of the Company who are unable to attend the meeting in person are requested to complete, sign and date a Proxy/Voting Instruction Form and to mail it to or deposit it with Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. In order to be valid and acted upon at the meeting, an executed Proxy/VIF must be received by Computershare prior to 4:30 p.m. (Vancouver Time) on Wednesday, June 10, 2015. Proxies/VIF's may not be delivered to the Chairman at the meeting.

The Company has fixed the close of business on the 27th day of April, 2015 as the record date for the determination of shareholders who are entitled to receive notice of, and to vote at, the Meeting. The transfer books of the Company will not be closed. Only shareholders of the Company of record as at that date are entitled to receive notice of and to vote at the Meeting. The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is incorporated into this notice. Please advise the Company of any change in your address.

DATED at Vancouver, British Columbia, this 27th day of April, 2015.

BY ORDER OF THE BOARD

(signed) "Darin Wagner"
Darin Wagner, CEO

TABLE OF CONTENTS

Page

REVOCABILITY OF PROXY 1
PERSONS MAKING THE SOLICITATION 1
NOTICE AND ACCESS PROCESS 2
NOTICE AND ACCESS 2
PROXY INSTRUCTIONS 3
NON-REGISTERED (BENEFICIAL) SHAREHOLDERS 3
INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON 5
VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES 5
FINANCIAL STATEMENTS 5
ELECTION OF DIRECTORS 6
- Election of Directors 6
- Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions 7

EXECUTIVE COMPENSATION 9
- Definitions 9
- Compensation Discussion and Analysis 10
- Performance Graph 15
- Option Based Awards 16
- Summary Compensation Table 16
- Incentive Plan Awards 18
- Pension Plan Benefits 19
- Termination and Change of Control Benefits 19
- Director Compensation 22

AUDIT COMMITTEE 24
STATEMENT OF CORPORATE GOVERNANCE PRACTICES 24
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS 24
- Table of Equity Compensation Plan Information 24
- 2010 Incentive Stock Option Plan 25

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS 28
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS 28
APPOINTMENT OF AUDITOR 29
MANAGEMENT CONTRACTS 29
ANY OTHER MATTERS 29
ADDITIONAL INFORMATION 29
SCHEDULE “A” - STATEMENT OF CORPORATE GOVERNANCE PRACTICES A-1

BALMORAL RESOURCES LTD.

Suite 2300 – 1177 West Hastings Street
Vancouver, British Columbia
Canada V6E 2K3
Tel: 604-638-3664
Fax: 604-648-8809

INFORMATION CIRCULAR
For the Annual General Meeting to be held on June 12, 2015
(information is as at April 27, 2015, except as indicated)

This Information Circular ("**Information Circular**") is dated April 27, 2015 and is being furnished in connection with the solicitation of proxies by the management of **BALMORAL RESOURCES LTD.** (the "**Company**") for use at the 2015 annual general meeting (the "**Meeting**") of shareholders of the Company to be held **at 2:00 p.m. (Vancouver Time) on** June 12, 2015 at the place and for the purposes set forth in the accompanying Notice of Meeting.

REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, you may revoke an executed and deposited proxy by (a) except to the extent otherwise noted on such later proxy, signing new proxy bearing a later date and depositing it at the place and within the time required for the deposit of proxies, (b) signing and dating a written notice of revocation (in the same manner as a proxy is required to be executed as set out in the notes to the proxy) and either depositing it at the place and within the time required for the deposit of proxies or with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting, or (c) registering with the Scrutineer at the Meeting as a registered shareholder present in person and indicating you wish to revoke your deposited proxy, whereupon any proxy executed and deposited by such registered shareholder will be deemed to have been revoked.

Only registered shareholders have the right to revoke a proxy. If you are not a registered shareholder and you wish to change your vote you must, at least seven (7) days before the Meeting, arrange for the intermediary which holds your common shares without par value in the capital stock of the Company ("**Common Shares**") to revoke the proxy given by them on your behalf.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

PERSONS MAKING THE SOLICITATION

The enclosed proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made, without special compensation, by regular officers and employees. The Company may reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute proxies. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors have advised that they intend to oppose any action intended to be taken by management as set forth in this Information Circular.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

NOTICE AND ACCESS PROCESS

NOTICE AND ACCESS

The Canadian Securities Administrators (the "**CSA**") announced the adoption of amendments to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") which became effective February 11, 2013.

The amendments allow reporting issuers to deliver Meeting Materials (as defined herein) to their shareholders by posting proxy-related materials over the internet via SEDAR and an alternative website using the notice and access model. The amendments are designed to improve communications with shareholders, increase the efficiency of the proxy voting process and decrease the large volume of paper generated by printing proxy-related materials and reduce printing and postage costs.

The Company has elected to use the notice and access model ("**Notice and Access**") for delivery of their Meeting Materials to all registered shareholders and non-registered shareholders. The Company will not use procedures known as 'stratification' in relation to the use of Notice-and-Access provisions, meaning that both registered and non-registered shareholders will be mailed a notification of availability of the Meeting Materials.

Although the Meeting Materials will be posted electronically, shareholders will receive paper copies of a notice and access notification form, a form of proxy or voting instruction form and an annual request form (the "**Notice Documents**") to request copies of the Company's financial statements for the 2015 fiscal year.

Shareholders may request paper copies of the Notice of Meeting, Information Circular (the "**Information Circular**"), (collectively, the "**Meeting Materials**"), by calling the toll-free number 1-877-838-3664. Requests may be made up to one year from the date the Meeting Materials were filed on www.sedar.com ("**SEDAR**").

Requests for paper copies should be received at least five (5) business days in advance of the proxy cut-off date set out in the proxy or voting instruction form in order to receive the Meeting Materials in advance of the date of the Meeting.

Requests for paper copies received on or after the Meeting date will be mailed within ten (10) calendar days of the request.

SHAREHOLDERS ARE REMINDED TO VIEW THE MEETING MATERIALS PRIOR TO VOTING.

PROXY INSTRUCTIONS

The persons named in the accompanying proxy are current directors and/or officers of the Company. If a shareholder wishes to appoint some other person (who need not be a shareholder) to represent that shareholder at the Meeting the shareholder may do so, either by striking out the printed names and inserting the desired person's name in the blank space provided in the proxy or by completing another proper proxy and in either case delivering the completed and executed proxy to the Company's transfer agent, Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, CANADA M5J 2Y1, not later than 4:30 p.m., Vancouver time, on Wednesday, June 10, 2015 or, with respect to any matter occurring after the reconvening of any adjournment of the Meeting, not less than one business day prior to the day set for the recommencement of such adjourned Meeting. Proxies delivered after such times will not be accepted. In particular, proxies may not be delivered to the Chairman at the Meeting.

To be valid, the proxy must be dated and be signed by the shareholder or by a duly appointed attorney for such shareholder, or, if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. If a proxy is signed by a person other than the registered shareholder, or by an officer of a registered corporate shareholder, the Chairman of the Meeting may require evidence of the authority of such person to sign before accepting such proxy.

THE SHARES REPRESENTED BY PROXY WILL, ON A POLL, BE VOTED OR WITHHELD FROM VOTING BY THE PROXY HOLDER IN ACCORDANCE WITH THE INSTRUCTIONS OF THE PERSON APPOINTING THE PROXYHOLDER ON ANY BALLOT THAT MAY BE CALLED FOR AND, IF A CHOICE HAS BEEN SPECIFIED WITH RESPECT TO ANY MATTER TO BE ACTED UPON, THE SHARES WILL BE VOTED ACCORDINGLY.

ON A POLL, IF A CHOICE WITH RESPECT TO SUCH MATTERS IS NOT SPECIFIED OR IF BOTH CHOICES HAVE BEEN SPECIFIED, THE PERSON APPOINTED PROXYHOLDER WILL VOTE THE SECURITIES REPRESENTED BY THE PROXY AS RECOMMENDED BY MANAGEMENT (WHICH, IN THE CASE OF THE MEETING, WILL BE IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITORS).

The enclosed proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person(s) appointed proxyholder(s) thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and which may properly come before the Meeting. At the time of the printing of this Information Circular, management knows of no such amendment, variation or other matter which may be presented to the Meeting.

NON-REGISTERED (BENEFICIAL) SHAREHOLDERS

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their Common Shares in their own name.

Only registered shareholders or duly appointed proxyholders for registered shareholders are permitted to vote at the Meeting. Most of the shareholders of the Company are "**non-registered**" **shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares.**

More particularly, a person is not a registered shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either (a) in the name of

an intermediary (the "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIF's, RESP's and similar plans), or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed the Notice Documents to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Notice Documents to Non-Registered Holders unless a Non-Registered Holder has requested paper copies of the Meeting Materials (in which case the Intermediary will forward the Meeting Materials to the Non-registered Holder). Very often, Intermediaries will use service companies to forward the Notice Documents or Meeting Materials, as applicable, to Non-Registered Holders. Generally, if you are a Non-Registered Holder and you have not waived the right to receive the Notice Documents or Meeting Materials, as applicable, you will either:

(a) be given a **form of proxy which has already been signed by the Intermediary** (typically by a facsimile, stamped signature) which is restricted to the number of Common Shares beneficially owned by you, but which is otherwise not complete. Because the Intermediary has already signed the proxy, this proxy is not required to be signed by you when submitting it. In this case, if you wish to submit a proxy you should otherwise properly complete the executed proxy provided and deposit it with the **Company's Registrar and Transfer Agent, Computershare Investor Services Inc.**, as provided above; or

(b) more typically, a Non-Registered Holder will be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**proxy**", "**proxy authorization form**" or "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page printed form, the voting instruction form will consist of a regular printed proxy accompanied by a page of instructions that contains a removable label containing a bar-code and other information. In order for the proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the proxy, properly complete and sign the proxy **and return it to the Intermediary or its service company (not the Company or Computershare Investor Services Inc.)** in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares that they beneficially own. If you are a Non-Registered Holder and you wish to vote at the Meeting in person as proxyholder for the Common Shares owned by you, you should strike out the names of the management designated proxyholders named in the **proxy authorization form or voting instruction form and insert your name in the blank space provided. In either case, you should carefully follow the instructions of your Intermediary, including when and where the proxy, proxy authorization or voting instruction form is to be delivered.**

Non-Registered Holders fall into two categories - those who object to their identity being made known to the issuers of securities which they own ("**OBO's**") and those who do not object to their identity being made known to the issuers of securities which they own ("**NOBO's**"). Subject to the provision of the NI 54-101 issuers may request and obtain a list of their NOBO's from the Intermediaries via their transfer

agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly to such NOBO's.

The Notice Documents or Meeting Materials, as applicable, are being sent to both registered shareholders and NOBO's. If you are a NOBO, and the Company or its agent has sent the Notice Documents or Meeting Materials, as applicable, to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary on your behalf.

If you are an OBO, you should be aware that the Company does not intend to pay for intermediaries to forward the Notice Documents or Meeting Materials, as applicable, to OBO's and therefore an OBO will not receive the Notice Documents or Meeting Materials, as applicable, unless the Intermediary for such OBO assumes the cost of delivery.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares. As at April 27, 2015, 110,381,521 Common Shares were issued and outstanding. Each issued Common Share carries the right to one vote at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a registered shareholder or as a representative of one or more registered corporate shareholders will have one vote (regardless of how many shares such shareholder holds), and on a poll every shareholder present in person or represented by a valid proxy and every person who is a representative of one or more corporate shareholders will have one vote for each share registered in that shareholder's name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

Only shareholders of record on the close of business on April 27, 2015 (the "**Record Date**"), who either personally attend the Meeting or who complete and deliver a proxy in the manner and subject to the provisions set out under the heading "Proxy Instructions" will be entitled to have their Common Shares voted at the Meeting or any adjournment thereof.

To the knowledge of the Company's directors and officers, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or discretion over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended December 31, 2014, and the accompanying management discussion and analysis, were filed on SEDAR on March 31, 2015 and have been mailed to all shareholders who had requested them by returning the "Annual/Interim Financial Statements and MD&A Request Form" mailed by the Company as part of its 2014 annual general

meeting materials. **If you wish to receive either or both of the annual audited financial statements and interim financial statements and accompanying MD&A for the 2015 fiscal year (which commenced on January 1, 2015), you must complete and return the "Annual/Interim Financial Statement and MD&A Request Form" accompanying the Notice Documents.**

ELECTION OF DIRECTORS

Election of Directors

There are presently four (4) directors of the Company and the directors have fixed the number of directors for the time being at four (4). It is therefore anticipated that there will be four (4) directors to be elected at the Meeting.

Each director is elected annually and holds office until the next annual meeting of shareholders, unless that person ceases to be a director before then. In the absence of instructions to the contrary, the Common Shares represented by proxies will, on a poll, be voted in favour of the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

The Company has adopted a majority voting policy with respect to the election of directors - see Schedule "A", "Statement of Corporate Governance Practices - Majority Voting Policy" for details.

The following table sets out the names of management's nominees for election as directors, their province/state and country of residence, the positions and offices which they presently hold with, the length of time they have served as directors, their respective principal occupations or employments during the past five years and the number of shares which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name, Province/State and Country of Residence and Other Positions, if any, held with the Company[(1)]	**Date First Became a Director**	**Number of Shares Beneficially Owned Directly or Indirectly[(1)]**
Darin Wagner[(5)(6)] Director, President & Chief Executive Officer British Columbia, Canada	April 26, 2010	3,452,624
Lawrence Talbot[(2)(3)(4)(5)(6)] Independent Director British Columbia, Canada	April 1, 2010	675,000
Graeme Currie[(2)(3)(4)(5)(6)] Independent Director British Columbia, Canada	January 13, 2014	100,000
Daniel MacInnis[(2)(3)(4)(5)(6)] Independent Director British Columbia, Canada	February 5, 2014	0

(1) The foregoing information as to province/state and country of residence and number of shares held, not being within the knowledge of the Company, has been furnished by the respective nominees themselves.
(2) Member of Audit Committee.
(3) Member of the Compensation Committee.
(4) Member of the Corporate Governance and Nominating Committee
(5) Member of the Sustainable Development Committee.
(6) Member of the Disclosure Committee

Unless otherwise stated, each of the below-named nominees has held the principal occupation or employment indicated for the past five years (information provided by the respective nominees):

Darin Wagner (Director, President and CEO) – Mr. Wagner is a Professional Geologist and also serves as one of the Company's Qualified Persons. From June of 2006 until November of 2009 Mr. Wagner served as President, CEO, Director and Qualified Person for West Timmins Mining Inc. Since April of 2010, he has served in his current capacity with the Company. Mr. Wagner is also a director of Castle Mountain Mining Company Limited.

Lawrence Talbot (Director) – Mr. 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. He has extensive experience acting for public natural resource companies and providing advice on all aspects of their businesses, including corporate finance, securities and regulatory matters, corporate governance and shareholder issues, and all aspects of corporate acquisitions, takeovers, divestitures and reorganizations. Mr. Talbot is a director or officer of a number of public natural resource companies, including Wealth Minerals Ltd., Minaurum Gold Inc. and Pedro Resources Ltd. Prior to July 1, 2006, he was a partner in one of Canada's largest law firms, and now acts as general counsel to International Tower Hill Mines Ltd. and Wealth Minerals.

Graeme Currie (Director) – Mr. Currie 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, focussing 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. Mr. Currie is also a director and the Chair of Pure Gold Mining Inc.

Daniel MacInnis (Director) – Mr. MacInnis retired as the President and CEO of MAG Silver Corp. in October, 2013 and he remains a board member. During his tenure at MAG, he directed the financing of over $140 million, and led one of the silver sector's most successful explorers through the discovery of the high-grade Juanicipio/ Valdecanas silver veins and the Upper Manto and Pegaso silver, lead and zinc mantos at Cinco de Mayo in Mexico. Mr. MacInnis has 40 years' experience in mineral exploration worldwide. He has managed and directed multi-million dollar exploration programs for MAG Silver, Noranda Exploration, Battle Mountain Gold/Hemlo Gold, and Sargold Resources. Mr. MacInnis has extensive global experience in property acquisitions and joint venture, management and operation. A significant number of mineral discoveries have been made under his guidance, including gold and base metal deposits in the US, Canada and Mexico. Mr. MacInnis is a Registered Professional Geoscientist (P.Geo) and is a graduate of Saint Francis Xavier University with a BSc. in Geology. Prior to joining the Board Mr. MacInnis served as an advisor to the Company since its inception. Mr. MacInnis is also a director of Max Resource Corp.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

1. No proposed director is, as at the date of this Information Circular, or has been within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

(b) was subject to an order that was issued after the proposed director 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:

(a) a cease trade order;

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

(c) 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 proposed director:

(a) is, as at the date of this Information Circular, or has been within the ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) 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 information circular, 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 proposed director.

3. No proposed director has been 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 in deciding whether to vote for a proposed director.

EXECUTIVE COMPENSATION

Definitions

For the purpose of this Information Circular:

"**Board**" means the board of directors of the Company;

"**Chief Executive Officer**" or "**CEO**" means each individual who served as chief executive officer or acted in a similar capacity during the most recently completed financial year;

"**Chief Financial Officer**" or "**CFO**" means each individual who served as chief financial officer or acted in a similar capacity during the most recently completed financial year;

"**closing market price**" means the price at which the company's security was last sold, on the applicable date, in the security's principal marketplace in Canada;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of section 3870 of the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

"**executive officer**" means an individual who is:

(a) a chair, vice-chair or president,

(b) a vice-president in charge of a principal business unit, division or function including, exploration, mining, marketing or finance or

(c) performing a policy-making function in respect of the Company;

"**long-term incentive plan**" or "**LTIP**" means a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale;

"**Named Executive Officers**" or "**NEO's**" means the following individuals:

(a) each CEO;

(b) each CFO;

(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 for December 31, 2014; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at December 31, 2014;

"**option-based award**" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set forth in any formal document, where cash, securities, similar instruments or any property may be received, whether for one or more persons;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option;

"**stock appreciation right**" means a right, granted by the Company or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Company's securities.

Compensation Discussion and Analysis

Compensation Committee

The Board has established a Compensation Committee ("**CC**"), and has adopted a written charter for the CC, effective July 21, 2010. From January 1, 2014 until January 31, 2014, the members of the CC were Lawrence Talbot (Chair), Hendrik Van Alphen and Gordon Neal. From February 1 until February 18, 2014, the members of the CC were Lawrence Talbot (Chair) and Gordon Neal. From February 18 until October 3, 2014, the members of the CC were Lawrence Talbot (Chair), Daniel MacInnis, Graeme Currie and Gordon Neal. From October 3, 2014 on, the members of the CC have been Lawrence Talbot (Chair), Daniel MacInnis and Graeme Currie. At all times all of the members of the CC have been independent directors.

The current members of the CC, consisting of Messrs. Talbot, MacInnis and Currie, have over 50 years of combined experience, both in senior leadership positions as well as direct operational or functional experience overseeing executive compensation at organizations similar to the Company. Messrs. Talbot and MacInnis have each previously served on the compensation committee of similar-sized organizations, and the CC supports continuous training and education with respect to executive compensation. It is the opinion of the Board that the extensive experience held by members of the CC provides them with the ability to make sound and proper decisions on the suitability of the Company's compensation policies and practices.

There is no written position description for the Chair of the CC. However, as a general statement, the Chair is responsible for setting the tone for the work of the CC, ensuring that members have the information needed to do their jobs, overseeing the logistics of the CC's operations, reporting to the Board on the committee's decisions and recommendations and setting the agenda for the meetings of the CC.

The CC is responsible for assisting the Board in monitoring, reviewing and approving compensation policies and practices of the Company and administering the Company's 2010 incentive stock option plan (the "**Plan**"). With regard to the CEO, the CC is responsible for reviewing and approving corporate goals and objectives relevant to the CEO's compensation, evaluating the CEO's performance in light of those goals and objectives and making recommendations to the Board with respect to the CEO's compensation level based on this evaluation. In consultation with the CEO, the CC makes recommendations to the Board on the framework of executive remuneration and its cost and on specific remuneration packages for each of the directors and officers other than the CEO, including recommendations regarding awards under equity compensation plans. The CC also reviews executive compensation disclosure before the Company publicly discloses the information. The CC's decisions are typically reflected in consent resolutions.

The CC has the authority to engage and compensate, at the expense of the Company, any outside advisor that it determines to be necessary to permit it to carry out its duties (including compensation consultants and advisers). During the fiscal year ended December 31, 2014, the Company did not retain the services of any compensation consultants or advisers.

On December 14, 2014, the CC retained the services of Lane Caputo Compensation Inc. ("LC"), to carry out a review of the compensation paid to the Company's CEO, its Vice-President, Exploration and its independent directors. LC has the mandate to review the Company's compensation arrangements in this regard and to recommend any suggested changes to pay elements and/or strategy to align these with both current market practices and the Company's business strategy. LC will benchmark the Company's compensation practices against a peer group of similar mining companies. The results of this review will be applied to the Company's compensation of its CEO, Vice-President, Exploration and independent directors for the fiscal year commencing January 1, 2015. LC has not provided any services to the Company, or to any affiliated or subsidiary company of the Company, or to any of the Company's directors or members of management, other than, or in addition to, compensation services provided for any of the Company's directors or executive officers.

General Compensation Strategy

The CC has not formally considered the implications of the risks associated with the Company's compensation policies and practices. The executive officers of the Company are compensated in a manner consistent with their respective contributions to the overall benefit of the Company, and in line with the criteria set out below. The CC aims to achieve a "pay for performance" philosophy, whereby a significant portion of annual compensation is "at risk" as being awarded by way of bonuses and incentive stock options.

Executive compensation is based on a combination of factors, including a comparative review of information provided to the CC by compensation consultants, recruitment agencies and auditors (if any) as well as historical precedent. In the view of the CC, the early stage of the Company's development does not lend itself to the formulation of specific objective performance guidelines for executive pay. Rather, it is appropriate for the members of the CC to rely upon their subjective assessment of the achievements of management, both absolutely and in relation to that of the Company's peers. In the case of a mineral exploration company such as the Company, the CC considers such things as:

- the ability to determine and carry out generative programs based on new geological theories or concepts in previously unexplored areas

- the ability to source and secure promising mineral properties of merit

- the ability to raise the necessary capital to explore such properties and maintain the Company's ongoing activities, including appropriately presenting information regarding the Company and its prospects to current and potential future investors and the marketplace in general;

- the ability to focus the Company's resources and to appropriately allocate such resources to the benefit of the Company as a whole

- the ability to ensure compliance by the Company with applicable regulatory requirements

- the ability to design, implement and efficiently and safely carry out programs of work on the Company's mineral projects sufficient to enable appropriate decisions to be made as to appropriate next steps

- the ability to maintain and foster a culture of safety throughout all of the Company's field and office locations

- the ability to carry on business in a sustainable manner

- the ability to manage the business of the Company in such a way as to outperform the Company's peers

to be of primary importance in assessing the performance of its executive officers. The CC does not anticipate at this time that it will use any specific metrics or identifiable objective measures of performance, such as increases in share price (although the relative performance of the Company's share price when compared with its peers is a subjective factor the CC considers), in order to fix compensation or determine compensation increases (if any). Rather, the CC will continue to use primarily a subjective approach, based on the combined industry experience and knowledge of the CC members, which relies on the assessment of the CC as to the relative success of the Company's executive officers in demonstrating the ability to perform in a manner consistent with the factors noted above, as well as the level of compensation thought necessary by the CC to attract and retain the personnel required to accomplish the Company's business plan.

The CC believes that the foregoing criteria are appropriate for use to assess the appropriate compensation level for the CEO and other executive officers employed by the Company, and that more objective measurements and specific performance metrics are difficult to effectively establish and use as the basis for executive compensation at this stage of the Company's development when it is fundamentally a junior exploration company.

The Company has not placed a restriction on the purchase by its NEO's or other employees of financial instruments (including prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or employee. To the Company's knowledge, none of the NEO's have purchased any such financial instruments.

Executive Compensation Program

General

The executive compensation program formulated by the CC is designed to encourage, compensate and reward senior management of the Company on the basis of individual and corporate performance, both in the short term and the long term, while at the same time being mindful of the responsibility that the Company has to its shareholders.

Salary reviews are generally carried out in December of each year (for the 2014 fiscal year, salary reviews were carried out in December, 2013), and adjustments are effective January 1 of the next year (January 1, 2014, in this case). Bonuses for the current year are set at the same time (the bonuses for 2014 were set in December 2014).

The members of the CC use their own experience and familiarity with the industry and the activities of companies within it to determine those companies that they believe are the peers to the Company in any particular year. The companies considered to be peers of the Company can vary from year-to-year, depending primarily upon the activities of companies in the industry, their respective projects and their exploration successes (or lack thereof). For the purposes of fixing the salaries for executive officers for 2014 and assessing any salary adjustments to be applied January 1, 2014, the peer group of companies used by the CC was comprised of fourteen companies as follows: Eastmain Resources Inc., Probe Mines

Limited, PC Gold Inc., Ryan Gold Corp., Rye Patch Gold Corp., Midland Exploration Inc., North Country Gold Corp., Treasury Metals Inc., Northern Gold Mining Inc., Azimut Exploration Inc., Adventure Gold Inc., MDN Inc., Orex Exploration Inc. and Soltoro Ltd. These companies are considered by the CC to be similar to the Company, in that they are all:

(a) publically traded on the Canadian markets;

(b) exploration or pre-production stage companies;

(c) active in the precious metals sector;

(d) companies with broadly comparable market caps; and

(e) companies with senior executives with broadly similar experience to those managing the Company's affairs.

Members of the CC then review the proxy materials of companies they consider to be part of the peer group to the Company in the metals and mining industry to get a sense of the compensation paid by such companies to their NEO's and thereby the current marketplace norms for such compensation.

Initial salaries for executive officers are set through negotiation when the executive officer joins the Company (with direct input from the CC) and are reflected in the employment agreement executed at that time. The compensation of such individuals is then subsequently reviewed each financial year to determine if adjustments are required for the coming year, and whether or not any bonus is appropriate in respect of the past year, as noted above.

The incentive portion of the compensation package, consisting primarily of the awarding of stock options and cash bonuses, is directly tied to the performance of both the individual and the Company, as subjectively assessed by the CC and with reference to the Company's peer group for that year. Share ownership opportunities are provided to align the interests of senior management of the Company with the longer-term interests of the shareholders of the Company. Generally, the CC believes that incentive stock options should not be granted for longer than five years, except in exceptional circumstances. The CC does not view share appreciation rights, restricted stock units, securities purchase programs or long term incentive programs (other than incentive stock options) or pension plans as appropriate components of compensation programs for junior resource companies such as the Company. Accordingly, no such elements are included in the Company's compensation program.

In general, the CC considers that its compensation program should be relatively simple in concept and that its focus should be balanced between reasonable annual compensation (base salaries in line with current industry standards as noted above) and longer term compensation tied to performance of the Company as a whole (incentive compensation in the form of stock options and cash bonuses where warranted). The CC has not established a formal set of benchmarks or performance criteria to be met by the Company's NEO's, rather, the members of the CC use their own assessments of the success (or otherwise) of the Company, both absolutely or in relation to companies they consider to be its peers, to determine, collectively, whether or not the NEO's are successfully achieving the Company business plan and strategy and whether they have over, or under, performed in that regard. The CC has not established any set or formal formula for determining NEO compensation, either as to the amount thereof or the specific mix of compensation elements.

Base Salaries

The level of the base salary for each employee of the Company, within a specified range, is determined by the level of responsibility and the importance of the position to the Company, within competitive industry ranges. The CC, in consultation with the CEO, makes recommendations to the Board regarding the base salaries and bonuses (if any) for senior management and employees of the Company other than the CEO. For 2014, the Company had seven (7) full-time employees and two (2) part-time employees. The CC is responsible for recommending the salary level of the CEO to the Board for approval (which must be by a vote of a majority of the independent directors). In general, the CC wishes to recognize significant or exceptional performance in a particular year through the grant of a cash bonus for that year, rather than a substantial increase in salary going forward.

Bonuses

The CEO presents recommendations to the CC with respect to bonuses (if any) to be awarded to the members of senior management (including himself) and to the other employees of the Company (if any). The CC evaluates each member of senior management and the other employees of the Company in terms of their performance and the performance of the Company (utilizing the overall subjective assessment process described above, as opposed to any specific formula). The CC then makes a determination of the bonuses, if any, to be awarded to each member of senior management (including the CEO) and to the employees of the Company in respect of the current year (reflecting compensation for the performance during that year), and recommends such determination to the Board. During the fiscal year ended December 31, 2014, an aggregate of $336,800 was paid to employees as bonuses and of that $265,800 was paid to NEO's as bonuses. The CC determine to pay substantial bonuses for the 2014 year primarily due to three factors:

(a) for the second year in a row, the Company's exploration staff, including the CEO and Vice-President, Exploration, were successful in locating a brand new discovery of significant importance on the Company's Detour Trend Project, being the Grasset Nickel Zone, a performance which earned the Company's exploration team, for the second year in a row, recognition as the "Prospectors of the Year" in Quebec;

(b) the Company successfully raised over $14M in financing in 2014, and the Company's performance in the marketplace was instrumental in generating an additional $2M through exercises of existing warrants; and

(c) the Company's share price significantly outperformed its peer group.

The members of the CC believe that these exceptional results by the Company's management, and particularly its NEO's, warranted the awarding of significant bonuses to recognize superior performance.

2010 Incentive Stock Option Plan

The Plan is administered by the CC, and is intended to advance the interests of the Company through the motivation, attraction and retention of key employees, officers and directors of the Company and subsidiaries of the Company and to secure for the Company and its shareholders the benefits inherent in the ownership of Common Shares of the Company by key employees, officers, directors and consultants of the Company and subsidiaries of the Company. In the view of the CC, the grant of incentive stock options is a fundamental and integral part of any compensation scheme for companies in the junior natural resource exploration space. Grants of options under the Plan are proposed/recommended by the CEO, (excluding himself) and reviewed by the CC. The CC can approve, modify or reject any proposed grants, in whole or in part. In general, the allocation of available options among the eligible participants in the

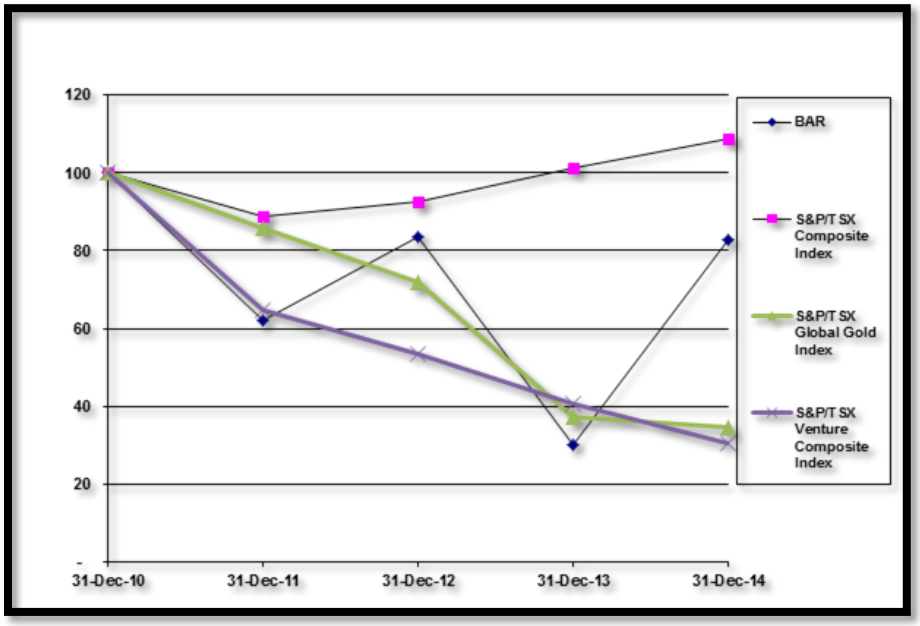
Plan is on an ad hoc basis, and there is no set formula for allocating available options, nor is there any fixed benchmark or performance criteria to be achieved in order to receive an award of options. The timing of the grants of options is determined by the CC. In general, a higher level of responsibility will attract a larger grant of options. Because the number of options available is limited, in general, the CC aims to have individuals at the same levels of responsibility holding equivalent numbers of options, with additional grants being allocated for individuals who the CC believe are in a position to more directly affect the success or the Company through their efforts. The CC looks at the overall number of options held by an individual (including the exercise price and remaining term of existing options and whether any previously granted options have expired out of the money or were exercised) and takes such information into consideration when reviewing proposed new grants. After considering the CEO's recommendations and the foregoing factors, the resulting proposed option grant (if any) is then submitted to the Board for approval. The CC does not consider a theoretical value of an option (as calculated under Black-Scholes) to be in any way relevant in allocating option grants (since such theoretical value is irrelevant to any value that might one day be derived by the option holder through the exercise of the option), but rather focuses on the number of shares made subject to the option. Therefore, in granting options, the CC does not in any way try to award any particular notional "value" to the recipient. Please see "Securities Authorized for Issuance under Equity Compensation Plans", "2010 Incentive Stock Option Plan" for a summary of the Plan.

During the fiscal year ended December 31, 2014, the CC approved all recommendations for the grant of 4,850,000 incentive stock options proposed by the CEO (of which an aggregate of 2,025,000 (42%) were granted to NEO's and 1,915,000 (39%) were granted to directors who are not NEO's).

Performance Graph

The following chart compares the total cumulative shareholder return on $100 invested in Common Shares on December 31, 2010 with the cumulative total returns of the S&P/TSX Composite Index, the S&P/TSX Global Gold Index and the S&P/TSX Venture Composite Index for the four most recently completed financial years.

CUMULATIVE TOTAL SHAREHOLDER RETURNS
BALMORAL RESOURCES VS INDICES



	Dec 31, 2010	Dec 31, 2011	Dec 31, 2012	Dec 31, 2013	Dec 31, 2014
BAR	100	62	84	30	83
S&P/TSX Composite Index	100	89	92	101	109
S&P/TSX Global Gold Index	100	86	72	37	35
S&P/TSX Venture Composite Index	100	65	53	41	30

As can be seen from the foregoing graph, from December 31, 2010 until December 31, 2013 the Company's share performance mirrored the performance of the S&P/TSX Global Gold and S&P/TSX Venture Composite indices, which are more reflective of the nature of the Company's activities and stage of development, but lagged behind that of the S&P/TSX Composite Index. Over the last 12 months the Company's share performance has significantly exceeded the performance of all three indices. The CC believes that, as an exploration company involved in the gold and base metal sectors, the Company's share price is primarily tied to its exploration success, the highly volatile appetite for risk, the sentiment in the junior resource space and the price of gold and base metals (the latter three factors being ones over which neither the Company nor any of its NEO's has any influence) which are best reflected by the S&P/TSX Global Gold and S&P/TSX Venture Indices, whereas the S&P/TSX Index is dependent upon a multitude of factors and is in general characterized by a significantly lower degree of volatility than the junior resource (exploration) sector of the market. Accordingly, the CC believes that a comparison of the performance of the Company's shares to the S&P/TSX Global Gold and S&P/TSX Venture indexes is more relevant for the purpose of determining the relative performance of the Common Shares in relation to the marketplace in which the Company operates. By contrast, any comparison to the S&P/TSX Composite Index provides little, if any, useful information because it is reflective of a broader market that does not reflect the specific factors influencing junior exploration companies.

Over the past three years, the CC has maintained a relatively "flat" salary profile, with only small increases in NEO salaries, primarily to reflect the general increase in the cost of living, and with only moderate annual bonuses, reflecting the steady effort of the NEO's to improve and build the Company's mineral assets. For 2014, the exceptional performance of the Company's NEO's, reflected to a large degree in the superior performance of the Common Shares in comparison to the market indices reflective of the junior exploration space as shown in the table above, has been recognized and rewarded by way of a significantly increased annual bonus.

Option Based Awards

See discussion under "2010 Incentive Stock Option Plan" under "Compensation Discussion and Analysis" above.

Summary Compensation Table

During the financial year ended December 31, 2014, the Company had five (5) NEO's, being Mr. Darin Wagner, President & Chief Executive Officer, Ms. Peggy Wu, Chief Financial Officer (Ms. Wu was appointed CFO on December 15, 2013), Mr. Richard Mann, Vice President, Exploration, Mr. John Toporowski, Manager, Corporate Development and Ms. Sue Chipperfield, Corporate Secretary. The following table is a summary of the compensation paid to the NEO's during the three (3) most recently completed financial years:

Name and principal position	*Year*[1]	*Salary ($)*	*Share-based awards ($)*	*Option-based awards*[6] *($)*	*Non-equity incentive plan compensation*		*Pension value*	*All other compensation ($)*	*Total compensation ($)*
					Annual incentive plan [4]	*Long-term incentive plan*			
Darin Wagner, President & CEO	2014 2013 2012	102,542 101,650 80,000	Nil Nil Nil	226,691 292,960 Nil	130,000 30,000 50,000	Nil Nil Nil	Nil Nil Nil	210,000[2] 114,000[2] 145,000[2]	669,233 538,610 275,000
Peggy Wu, CFO	2014 2013 2012	Nil Nil Nil	Nil Nil Nil	122,791 11,718 Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	58,750[3] 1,875[3] 1,338[3]	181,541 13,593 1,338
Richard Mann, Vice President, Exploration	2014 2013 2012	161,563 160,875 150,000	Nil Nil Nil	188,909 175,776 Nil	90,000 23,500 45,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	440,472 360,151 195,000
John Toporowski, Manager, Corporate Development [5]	2014 2013 2012	125,417 129,500 132,000	Nil Nil Nil	113,346 Nil Nil	20,000 Nil 13,200	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	258,763 129,500 145,200
Sue Chipperfield, Corporate Secretary	2014 2013 2012	83,238 84,550 78,000	Nil Nil Nil	113,346 70,310 Nil	25,800 6,000 11,700	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	222,384 160,860 89,700

(1) Fiscal years ended December 31.

(2) These amounts were paid to 68B Resource Consultants Ltd., a company controlled by Mr. Wagner, for geological consulting services provided by Mr. Wagner.

(3) These amounts were paid for financial consulting services provided by Blue Pegasus Consulting Inc., a company wholly owned by Ms. Wu (includes payment for consulting services rendered to the Company during the period prior to Ms. Wu being appointed CFO).

(4) These amounts were bonuses paid to Mr. Wagner, Mr. Mann, Mr. Toporowski and Ms. Chipperfield in December, 2014, 2013 and 2012.

(5) Mr. Toporowski resigned on December 16, 2014.

(6) Fair value of incentive stock option grants calculated using the Black-Scholes model based on the following assumptions:

For the year ended Dec 31,	**2014**	**2013**	**2012**
Risk-free interest rate	1.59%	1.49%	N/A
Expected life of options	5	5	N/A
Annualized volatility	78%	77%	N/A
Dividend yield	0	0	N/A
Exercise price	0.60	1.05	N/A
Fair value per share	0.39	0.59	N/A

The Company believes that the Black-Scholes model is an appropriate model to use for calculating the fair value of incentive stock options because, while the model was originally developed for valuing publicly traded options as opposed to non-transferable incentive stock options and requires management to make estimates, which are subjective and may not be representative of actual results (changes in assumptions can materially affect estimates of fair values), this model is used by most companies in the Company's peer group and therefore represents an approach to valuation reasonably consistent with the Company's peer group. **It is important to remember that, while incentive stock options can have a significant theoretical value (such as those reported above), until the option is actually exercised and the resulting Common Shares can be sold at a profit, it has no value that can be realized by the holder.** Many incentive stock options expire, unexercised, and out-of-the-money.

Incentive Plan Awards

Outstanding Share-based Awards and Option Based Awards

The following table provides disclosure with respect to all share-based and option-based awards held by each NEO outstanding as at December 31, 2014, being the end of the most recently completed financial year:

	Option-based Awards				Share-based Awards	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[(1)]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Darin Wagner, President & CEO	200,000 500,000 600,000	1.25 1.05 0.60	June 6, 2016 February 6, 2018 January 23, 2019	Nil 10,000 282,000	N/A	N/A
Peggy Wu, CFO	5,000 20,000 325,000	1.25 1.05 0.60	June 6, 2016 February 6, 2018 January 23, 2019	Nil 400 152,750	N/A	N/A
Richard Mann, Vice President, Exploration	60,000 300,000 420,000	1.25 1.05 0.60	June 6, 2016 February 6, 2018 January 23, 2019	Nil 6,000 197,400	N/A	N/A
John Toporowski, Manager, Corporate Development	60,000	1.25	June 6, 2016	Nil	N/A	N/A
Sue Chipperfield, Corporate Secretary	50,000 120,000 300,000	1.25 1.05 0.60	June 6, 2016 February 6, 2018 January 23, 2019	Nil 2,400 141,000	N/A	N/A

(1) Value using the closing market price of common shares of the Company on the TSX on December 31, 2014, being the last trading day of the Company's shares for the financial year, of $1.07 per share, less the exercise price per share.

Incentive Plan Awards - Value Vested or earned During the Year

The following table sets forth the aggregate dollar value that would have been realized if the incentive stock options granted during the most recently completed fiscal year had been exercised on the vesting date (as all incentive stock options vest immediately upon granting, the vesting date is the same as the grant date):

Name	**Option-based awards - Value vested during the year ($)[(1)]**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Darin Wagner, President & CEO	Nil	N/A	130,000
Peggy Wu, CFO	Nil	N/A	N/A
Richard Mann, Vice President, Exploration	Nil	N/A	90,000

Name	Option-based awards - Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
John Toporowski, Manager, Corporate Development	Nil	N/A	20,000
Sue Chipperfield, Corporate Secretary	Nil	N/A	25,800

(1) Value based upon the difference between the closing market price of the Common Shares on the TSX on the vesting date, and the respective exercise prices of the incentive stock options on an aggregated basis.

Information with respect to the Plan is provided under "Securities Authorized for Issuance under Equity Compensation Plans".

Pension Plan Benefits

The Company does not operate any pension plans or provide any retirement benefits for its directors or employees.

Termination and Change of Control Benefits

The Company has no plans or arrangements in respect of remuneration received or that may be received by a NEO in the Company's most recently completed financial year or current financial year in respect of compensating such officer in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, except as follows:

- Employment agreements (collectively, the "**Employment Agreements**"), each effective August 20, 2013, with each of Darin Wagner ("**Wagner**"), President and CEO, and Sue Chipperfield ("**Chipperfield**"), Corporate Secretary.

- An independent consulting agreement (the "**68B Agreement**"), effective August 20, 2013, with 68B Resource Consultants Inc. (the "**Contracto**r"), a private company controlled by Darin Wagner, to provide technical services in connection with the Company's exploration projects and other field programs.

- An employment agreement (the "**Mann Agreement**") effective November 15, 2010 with Richard Mann, Vice President of Exploration ("**Mann**"), (collectively along with Wagner and Chipperfield, the "**Employees**").

Pursuant to the Employment Agreements and the Mann Agreement, the Company is required to make certain payments upon termination without cause and upon termination (involuntary or constructive) following a change of control.

If an Employee is terminated other than "for cause", the Company is required to pay to the Employee a severance amount equal to six months' salary (Wagner), two months' salary (Chipperfield) or two months' salary plus one additional month's salary for every 12 month period of service completed (Mann).

In the case of the Company terminating the Employee without cause, or of the Employee being constructively dismissed, in either case within 12 months following a change of control (as defined below), the Company is required to pay, as severance, an amount equal to 24 times the Employee's then current monthly salary (Wagner), 12 times the Employee's then current monthly salary (Mann) or 10 times the Employee's then current monthly salary (Chipperfield) plus, in each case, an amount equal to the sum of the annual bonus payments paid to the particular Employee over the last 3 years divided by 36 and then multiplied by number of completed months in the year of termination up to the termination date.

In addition, in the case of any termination without cause, or termination or constructive dismissal within 12 months of a change of control, the Company is required to continue the Employee's then existing benefits (other than insured or other benefits which cannot be extended to a person who is not actually actively employed by the Company) until the earlier of the termination of the change of control severance period or the Employee obtaining comparable benefits from another source.

Under the terms of the 68B Agreement, the Contractor is paid $10,000 (increased from a monthly retainer fee of $9,000 per month starting June 1, 2014) in consideration for a commitment of an average of 200 hours per month or some lesser number as agreed between the Company and the Contractor. In the event that the Company (other than for cause) terminates the 68B Agreement (which it may do at any time upon providing 60 days' written notice), the Contractor will be entitled to be paid a lump sum payment equal to six times the average monthly fee paid to the Contractor over the preceding six months ("average fee") plus an additional amount equal to the average fee times the number of full or partial 12 month periods during which the Contractor has been contracted by the Company, commencing on April 1, 2010 and ending on the effective date of termination. If, within 12 months of a change of control, the Contractor is terminated by the Company other than for good cause, the Company is required to pay the Contractor an amount equal to 24 times the average fee.

An estimate of the amount of these payments, assuming that the triggering event giving rise to such payments occurred on December 31, 2014, is described below:

(a) on termination without cause, Wagner would be entitled to a lump sum payment of $51,271. On termination by the Company or constructive dismissal within 12 months following a change of control, Wagner would be entitled to a lump sum of $205,084 together with an additional payment equal to $70,000 and would be entitled to continue receiving his then existing employee benefits for 24 months or until he obtains comparable benefits from another source;

(b) on termination without cause, Chipperfield would be entitled to a lump sum payment of $13,873. In the event of a termination by the Company or constructive dismissal within 12 months following a change of control, Chipperfield would be entitled to a lump sum of $69,365, together with an additional payment equal to $14,500 and would be entitled to continue receiving her then existing employee benefits for 12 months or until she obtains comparable benefits from another source;

(c) on termination without cause, Mann would be entitled to a lump sum payment of $80,781. In the event of a termination by the Company or constructive dismissal within 12 months following a change of control, Mann would be entitled to a lump sum of $161,563 together with an additional payment equal to $52,833 and would be entitled to continue receiving his then existing employee benefits for 15 months or until he obtains comparable benefits from another source; and

(d) on termination without cause of the 68B Agreement, the Contractor would be entitled to a lump sum payment of $60,000 and an additional payment of $50,000. In the event of a

termination by the Company (other than for cause) within 12 months following a change of control, the Contractor would be entitled to receive a lump sum of $240,000.

Definitions:

"**change of control**" means any one of the following events:

(a) the sale, liquidation or other disposition of all or substantially all of the assets of the Company in circumstances where the Company either:

(i) does not intend to acquire new mineral exploration projects within a reasonable time; or

(ii) intends to enter into new business ventures which do not involve the acquisition, exploration development or exploitation of mineral properties;

(b) the sale, exchange or other disposition of a majority of the outstanding shares of the Company in a single transaction or series of related transactions;

(c) the Company is merged or consolidated in a transaction in which its shareholders receive less than 50% of the outstanding voting shares of the new or continuing entity;

(d) a majority of the incumbent directors of the Company who were previously nominated by management and elected as directors at the immediately preceding annual general meeting or who were appointed by the Board to fill a vacancy occurring since the immediately preceding annual general meeting are:

(i) not nominated for re-election at any annual general meeting of the shareholders of the Company;

(ii) after having been nominated by management for re-election as directors, not re-elected as directors at any annual general meeting of the shareholders of the Company;

(iii) removed as directors of the Company; or

(iv) as a result of an increase in the size of the Board and the appointment of new directors no longer constitutes a majority of the Board,

except where any of the above occurs as a result of the death, disability or voluntary retirement of any such directors in accordance with the normal retirement practices of the Company;

(e) the acquisition by any person, or any person and its affiliates, or by any person acting jointly or in concert with any of the foregoing persons or affiliates, and whether directly or indirectly, of voting securities of the Company that, when added to all other voting securities at the time held by such person, its affiliates and any person acting in concert with any of the foregoing person or affiliates, totals for the first time, not less than twenty (20%) of the then outstanding voting securities of the Company; or

(f) the consummation of a reorganization, merger or other transaction which has substantially the same effect as (a) through (e) above.

"**constructive dismissal**" means the occurrence of one of the following events without the Employee's express written consent:

(a) a material reduction in the Employee's responsibilities or reporting, except as a result of the Employee's disability;

(b) a material reduction by the Company in the Employee's annual base salary;

(c) During the 12 months following a change of control, a material reduction in the employee benefits (as defined in the respective agreements) or a material reduction in the terms of, or opportunity to earn, bonuses and other incentives;

(d) a change in the location of the principal executive office of the Company or any successor entity to a location outside the Metro Vancouver area;

(e) a requirement by the Company or any successor entity that the Employee be based, for the purposes of performing the duties hereunder, anywhere outside the Metro Vancouver area; or

(f) any other facts or circumstances amounting to a constructive dismissal at common law.

Significant Conditions or Obligations Attached to Payments and Benefits

There are no significant conditions or obligations required to be met by either the Employees or the Contractor as a condition precedent to receiving the foregoing payments upon termination without cause or termination without cause or constructive dismissal following a change of control, except that the Employee or Contractor, as applicable, is required to sign and deliver a full and final release of all claims against the Company arising out of such termination in return for the receipt of such payments.

Director Compensation

Director Compensation Table

The following table discloses all amounts of compensation provided to the directors for the Company's most recently completed financial year:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total ($)
Lawrence Talbot	20,600	N/A	151,127	N/A	N/A	Nil	171,727
Gordon Neal[(1)]	15,200	N/A	151,127	N/A	N/A	15,000[(3)]	181,327
Hendrik Van Alphen[(2)]	1,600	N/A	119,013	N/A	N/A	Nil	120,613
Graeme Currie[(4)]	20,108	N/A	151,127	N/A	N/A	Nil	171,235
Daniel MacInnis[(5)]	18,729	N/A	162,710	N/A	N/A	Nil	181,439

(1) Mr. Neal ceased as a director effective October 3, 2014.
(2) Mr. Van Alphen ceased as a director effective January 31, 2014.
(3) Consulting fee paid to Mr. Neal.
(4) Mr. Currie was appointed as a director effective January 13, 2014.
(5) Mr. MacInnis was appointed as a director effective February 5, 2014.

Except as noted below, the Company has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the fiscal year ended December 31, 2014.

Except as noted below, none of the Company's current directors have received any manner of compensation for services provided in their capacity as directors, consultants or experts during the Company's most recently completed financial year.

Effective April 28, 2011, the Board approved the payment of monthly retainer fees to the non-management directors of the Company (in this case, the directors other than Mr. Wagner), in recognition of the fact that service as a director in an active resource exploration company such as the Company requires a significant commitment of time and effort, as well as the assumption of increasing liability. Independent directors receive a monthly retainer fee of $1,600 (increased to $1,800 starting July 1, 2014) or $21,600 per annum. There is no written policy for reimbursement of expenses but directors and executives are reimbursed for reasonable expenses associated with attending meetings or travelling on behalf of the Company at the Company's request. Directors do not receive extra fees for serving on committees of the Board or acting as the Chair of the Board or of any committee.

Incentive Plan Awards

Outstanding Share-based Awards and Option Based Awards

The following table provides disclosure with respect to all share-based and option-based awards held by each director outstanding as at December 31, 2014, being the end of the most recently completed financial year:

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)[(1)]**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Lawrence Talbot	400,000 300,000 100,000	0.60 1.05 1.25	January 23, 2019 February 6, 2018 June 6, 2016	188,000 6,000 Nil	N/A	N/A
Graeme Currie	400,000	0.60	January 23, 2019	188,000	N/A	N/A
Daniel MacInnis	300,000 100,000 20,000	0.61 0.60 1.05	February 5, 2019 January 23, 2019 February 6, 2018	138,000 47,000 400	N/A	N/A

(1) Value using the closing market price of Common Shares of the Company on the TSX on December 31, 2014, being the last trading day of the Company's Common Shares for the financial year, of $1.07 per share, less the exercise price per share.

Incentive Plan Awards - Value Vested or earned During the Year

The following table sets forth the aggregate dollar value that would have been realized if the incentive stock options granted to directors who are not NEO's during the most recently completed fiscal year had

been exercised on the vesting date (as all incentive stock options vest immediately upon granting, the vesting date is the same as the grant date):

Name	Option-based awards - Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Lawrence Talbot	Nil	N/A	N/A
Gordon Neal	Nil	N/A	N/A
Hendrik Van Alphen	Nil	N/A	N/A
Graeme Currie	Nil	N/A	N/A
Daniel MacInnis	12,000	N/A	N/A

(1) Value based upon the difference between the closing market price of the Common Shares on the TSX on the vesting date, and the respective exercise prices of the incentive stock options, on an aggregated basis.

AUDIT COMMITTEE

Under National Instrument 52-110 - Audit Committees ("**NI 52-110**"), companies 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 in their Annual Information Form. This information with respect to the Company is contained under Schedule "A" of the Company's Annual Information Form dated March 26, 2015 in respect of the financial year ended December 31, 2014, available on the Company's profile at www.sedar.com.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* requires full and complete annual disclosure of an issuer's corporate governance practices in Form 58-101F1. The Company's approach to corporate governance, with reference to the Corporate Governance Guidelines contained in National Policy 58-201, is provided in Schedule "A".

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Table of Equity Compensation Plan Information

The following table sets forth details of all equity compensation plans of the Company as of December 31, 2014, being the end of Company's last completed financial year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plans[1]
Equity Compensation Plans Approved by Securityholders[2]	7,932,700	$0.81	3,105,452

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under the Equity Compensation Plans[(1)]
Equity Compensation Plans Not Approved By Securityholders	None	N/A	N/A
Total	**7,932,700**		**3,105,452**

(1) As at December 31, 2014, being the Company's last completed financial year.
(2) The only equity compensation plan of the Company is the Plan.

2010 Incentive Stock Option Plan

The Company has a "rolling" stock option plan (the Plan) which reserves, for issuance pursuant to incentive stock options, that number of Common Shares as is equal to 10% of the issued Common Shares outstanding from time to time (calculated at the time of any particular grant). The Plan was initially approved by the shareholders on July 21, 2010, and was accepted for filing by the TSXV subsequent to its initial adoption and approval by the shareholders.

On June 28, 2011, the directors made certain changes to the Plan, which was reapproved by shareholders on July 28, 2011 in accordance with the policies of the TSXV. On May 13, 2013, the Board approved additional changes (consistent with both the requirements of the TSXV and the TSX) to the Plan, subject to shareholder approval and filing thereof with the TSXV. The Plan, as amended, was re-approved by shareholders on June 14, 2013, accepted for filing by the TSXV on July 9, 2013 and by the TSX upon the listing of the Common Shares on the TSX on August 16, 2013.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

As at April 27, 2015, a total of 11,038,152 incentive stock options (representing 10% of the outstanding Common Shares) are permitted to be granted under the Plan. As at that date, there were 7,062,700 stock options outstanding under the Plan to purchase an aggregate of 7,062,700 Common Shares, and 3,975,452 stock options available for grant under the Plan.

A brief description of the Plan is as follows:

1. Options may be granted to Employees, Senior Officers, Directors, Non-Employee Directors, Management Company Employees, and Consultants (all as defined in the Plan) of the Company and its Affiliates who are, in the opinion of the CC, in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates, are in the opinion of the CC, worthy of special recognition. The granting of Options is entirely discretionary on the part of the Board.

2. The aggregate number of common shares that may be made issuable pursuant to options granted under the Plan at any particular time (together with those common shares which may be issued pursuant to any other security-based compensation plan(s) of the Company or any other option(s) for services granted by the Company at such time), unless otherwise approved by shareholders, may not exceed that number which is equal to 10% of the common shares issued

and outstanding at such time. For greater certainty, in the event options are exercised, expire or otherwise terminate, the Company may (subject to such 10% limit) grant an equivalent number of new options under the Plan and the Company may (subject to such 10% limit) continue to grant additional options under the Plan as its issued capital increases, even after the Plan has received regulatory acceptance and shareholder approval.

3. The number of shares subject to each option will be determined by the Board (based upon the recommendations of the CC) at the time of grant, provided that:

   (a) the maximum aggregate number of shares reserved for issuance pursuant to options granted under the Plan and any other share compensation arrangements of the Company for issuance to insiders at any particular time may not exceed 10% of the issued common shares at such time; and

   (b) the number of common shares issued to insiders pursuant to the Plan (together with any common shares issued to insiders pursuant to any other share compensation arrangements of the Company) within a twelve (12) month period may not exceed ten (10%) of the issued and outstanding number of common shares.

Subject to the overall 10% limit described in 2 above, and the limitations on options to insiders as set forth above, there is no maximum limit on the number of options which may be granted to any one person.

4. The exercise price of an option will be set by the Board (based upon recommendations from the CC) in their discretion, but such price will not be less than the greater of:

   (a) the closing price of the common shares on the TSX on the day prior to the option grant; and

   (b) the "volume weighted average trading price" (calculated by dividing the total value by the total volume of common shares traded on the TSX during the relevant period) of the common shares on the TSX for the five trading days immediately before the date of grant.

5. Options may be exercisable for a period of up to ten years from the date of grant. The Plan does not contain any specific provisions with respect to the causes of cessation of entitlement of any optionee to exercise his option, provided, however, that the Board may, at the time of grant, determine that an option will terminate within a fixed period (which is shorter than the option term) upon the ceasing of the optionee to be an eligible optionee or upon the death of the optionee, provided that, in the case of the death of the optionee, an option will be exercisable only within one year from the date of the optionee's death.

6. Notwithstanding the expiry date of an option set by the Board, the expiry date will be adjusted, without being subject to the discretion of the Board or the CC, to take into account any blackout period imposed on the optionee by the Company. If the expiry date falls within a blackout period, then the expiry date will be the close of business on the tenth business day after the end of such blackout period. Alternatively, if the expiry date falls within two business days after the end of such a blackout period, then the expiry date will be the difference between 10 business days reduced by the number of business days between the expiry date and the end of such blackout period.

7. The Plan does not provide for any specific vesting periods. The Board (on the recommendation of the CC) may determine when any option will become exercisable and any applicable vesting periods, and may determine that an option shall be exercisable in instalments.

8. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board has the right to accelerate the date on which any option becomes exercisable and may, if permitted by applicable legislation, permit an option to be exercised conditional upon the tendering of the common shares thereby issued to such bid and the completion of, and consequent taking up of such common shares under, such bid or going private transaction.

9. Options are non-assignable, and may, during his/her lifetime, only be exercised by the optionee.

10. The exercise price per optioned share under an option may be reduced, at the discretion of the Board (upon the recommendation of the CC), if:

    (a) at least six months has elapsed since the later of the date such option was granted and the date the exercise price for such option was last amended; and

    (b) shareholder approval is obtained, including disinterested shareholder approval if required by the TSX.

11. The present policy of the Board is not to provide any financial assistance to any optionee in connection with the exercise of any option.

12. The present policy of the Board is not to transform an option granted under the Plan into a stock appreciation right.

13. If there is any change in the number of common shares of the Company outstanding through any declaration of a stock dividend or any consolidation, subdivision or reclassification of the common shares, the number of shares available under either the Plan, the shares subject to any granted stock option and the exercise price thereof will be adjusted proportionately, subject to any approval required by the TSX. If the Company amalgamates, merges or enters into a plan of arrangement with or into another corporation, and the Company is not the surviving or acquiring corporation, then, on any subsequent exercise of such option, the optionee will receive such securities, property or cash which the optionee would have received upon such reorganization if the optionee had exercised his or her option immediately prior to the record date.

14. The Plan provides that, subject to the policies, rules and regulations of any lawful authority having jurisdiction (including the TSX), the Board may, at any time, without further action or approval by the shareholders of the Company, amend the Plan or any option granted under the Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

    (a) ensure that the options granted under the Plan will comply with any provisions respecting stock options in tax and other laws in force in any country or jurisdiction of which a optionee to whom an option has been granted may from time to time be resident or a citizen;

    (b) make amendments of an administrative nature;

    (c) correct any defect, supply any omission or reconcile any inconsistency in the Plan, any option or option agreement;

(d) change vesting provisions of an option or the Plan;

(e) change termination provisions of an option provided that the expiry date does not extend beyond the original expiry date;

(f) add or modify a cashless exercise feature providing for payment in cash or securities upon the exercise of options;

(g) make any amendments required to comply with applicable laws or the requirements of the TSX or any regulatory body or stock exchange with jurisdiction over the Company;

(h) add or change provisions relating to any form of financial assistance provided by the Company to participants under the Plan that would facilitate the purchase of securities under the Plan;

provided that shareholder approval shall be obtained for any amendment that results in:

(i) an increase in the common shares issuable under options granted pursuant to the Plan;

(j) a change in the persons who qualify as participants eligible to participate under the Plan;

(k) a reduction in the exercise price of an option;

(l) the cancellation and reissuance of any option;

(m) the extension of the term of an option;

(n) a change in the insider participation limit contained in subsection 5.1(b);

(o) options becoming transferable or assignable other than for the purposes described in section 10 of the Plan; and

(p) a change in the amendment provisions contained in the Plan.

The Plan will next require approval by the shareholders in 2016.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the financial year ended December 31, 2014, was any director, executive officer, employee, proposed management nominee for election as a director of the Company, or any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, indebted to the Company or any of its subsidiaries or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of the Company, no informed person of the Company, proposed director of the Company, or any associate of affiliate of any informed person or proposed director has had any material interest, direct or indirect, in:

(a) any transaction since January 1, 2014 (being the commencement of the Company's last completed financial year); or

(b) any proposed transaction, which materially affected or would materially affect the Company.

As defined in National Instrument 51-102 "informed person" means:

(c) a director or executive officer of a reporting issuer:

(d) a director or executive officer of a person or corporation that is itself an informed person or subsidiary of a reporting issuer;

(e) any person or corporation who beneficially owns, or controls or directs, directly or indirectly, voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company (other than voting securities held by the person or corporation as underwriter in the course of a distribution); and

(f) the Company, if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

APPOINTMENT OF AUDITOR

The Audit Committee has recommended to the Board that the Company propose Smythe Ratcliffe LLP, Chartered Accountants, the incumbent auditors, to the shareholders for re-election as the Company's auditors for the financial year ending December 31, 2015. Accordingly, unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Smythe Ratcliffe LLP, Chartered Accountants, as auditors of the Company and to authorize the directors to fix their remuneration.

MANAGEMENT CONTRACTS

The management functions of the Company are not, to any substantial degree, performed by a person or persons other than the Company's directors or senior officers.

ANY OTHER MATTERS

Management of the Company knows of no matters to come before the meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business activities is available on the SEDAR website located at www.sedar.com under "Company Profiles - Balmoral Resources Ltd." The Company's financial information is provided in the Company's comparative financial statements and related management discussion and analysis for its most recently completed financial year and interim period and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company's financial statements and related management discussion and analysis by contacting the Corporate Secretary of the Company at Suite 2300 - 1177 West Hastings Street, Vancouver, British Columbia, Canada V6E 2K3.

SCHEDULE "A"
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its shareholders and contribute to effective and efficient decision making. National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 ("**NI 58-101**") mandates disclosure of corporate governance practices for non-Venture Issuers in Form 58-101F1, which disclosure is set out below.

Board of Directors Composition

The Board is currently composed of four (4) directors. Four (4) of the proposed nominees for election as directors at the Meeting are current directors of the Company. NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under National Instrument 52-110 "Audit Committees" ("**NI 52-110**"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material relationship" is defined as a relationship that could, in the view of a company's board of directors, reasonably interfere with the exercise of a director's independent judgment. Of the proposed nominees, one, being Darin Wagner, the Chief Executive Officer of the Company, is an "inside" or management director. Lawrence Talbot, Graeme Currie and Daniel MacInnis are considered by the Board to be "independent", within the meaning of NI 52-110.

Directorships

The following directors and proposed directors of the Company are directors of other reporting issuers (as at April 27, 2015):

Name of Director	Other Reporting Issuers	Exchange
Darin Wagner	Castle Mountain Mining Company Limited	TSXV
Lawrence Talbot	Minaurum Gold Inc. Pedro Resources Ltd.	TSXV NEX
Graeme Currie	Pure Gold Mining Inc.	TSXV
Daniel MacInnis	MAG Silver Corp. MAX Resource Corp.	TSX TSXV

The Board has not appointed a Chair. However, the independent directors have appointed Mr. Daniel MacInnis as the "lead" independent director to act as the effective leader of the board and ensure that the board's agenda will enable it to successfully carry out its duties. The independent directors believe that Mr. MacInnis, by virtue of his experience as a director and officer of several public natural resource

companies, is qualified to provide the required leadership. In addition, the Board believes that its current composition, in which only one of the directors is a member of management, also serves to ensure that the Board can function independently of management. The independent directors exercise their responsibilities for independent oversight of management through their majority position on the Board and ability to meet independently of management whenever deemed necessary by any independent director. The independent directors generally have an "in camera" session at the end of each regular board meeting, attended only by the independent directors without any members of management present, so that the independent directors can have a full and frank discussion with respect to the affairs of the Company without non-independent directors or management present.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert (including legal counsel) if he reasonably considers it warranted under the circumstances. No director chose to do so during the financial year ended December 31, 2014.

Attendance

The attendance record of each director at full board meetings and with respect to meetings of any committees of which he is a member since January 1, 2014 (being the date of the commencement of the last fiscal year) up to the date of this Information Circular are as follows:

Name of Director	Full Board Meetings (5 total)	Audit Committee (5 total)	Sustainable Development Committee (1 total)	Corporate Governance & Nominating Committee (0 total)[1]	Compensation Committee (5 total)
Darin Wagner	5	N/A	1	N/A	N/A
Lawrence Talbot	3	4	1	N/A	5
Graeme Currie[2]	5	5	1	N/A	5
Daniel MacInnis[3]	4	5	1	N/A	5
Gordon Neal[4]	3	2	0	N/A	0
Hendrik Van Alphen[5]	0	0	0	N/A	0

(1) Matters dealt with by the CGNC were through informal sessions and evidenced by consent resolutions in writing signed by all CGNC members.
(2) Mr. Currie was appointed as a director on January 13, 2014.
(3) Mr. MacInnis was appointed as a director on February 5, 2014.
(4) Mr. Neal resigned as a director on October 3, 2014. No meetings of the Sustainable Development Committee or Compensation Committee were held while Mr. Neal was a director.
(5) Mr. Van Alphen resigned as a director on January 31, 2014. No meetings of the full Board, or of any committee thereof, were held in 2014 during the period that Mr. Van Alphen was a director.

Board Mandate

The Board has not adopted a written mandate. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate as sufficient guidance is found in the applicable corporate legislation and regulatory policies. The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through the operation of its standing committees. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan,

reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with its stated shareholder objectives; reviewing succession planning; assessing management's performance; reviewing and approving the financial statements, reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems (primarily through the Audit Committee) and for the Company's policies respecting corporate disclosure and communications.

Position Descriptions

The Board has not developed a written position for its "lead" independent director or for the Chair of any of its standing committees, or for the CEO. To date, given the size of the Company and its stage of development, the Board does not believe that formal written position descriptions are required, and that good business practices and the common law provide guidance as to what is expected of each of such positions.

The role of the "lead" independent director is to provide independent leadership to the Board, a function the independent directors believe Mr. MacInnis is well suited for by virtue of his extensive experience with public companies in the mining industry as both a senior officer and a director.

The general duties of the CEO are as set forth in the existing employment agreement between the CEO and the Company, which were developed by the Board, in consultation with the CEO, at the time the agreement was entered into, and set forth the expectations of the role and position to be fulfilled by the CEO. Pursuant to the employment agreement, the Company (acting through the Board) has the ability to modify such duties as required, but it has not found it necessary to do so.

Director Term Limits and Other Mechanisms of Board Renewal

The Company does not have a policy with respect to director term limits, director retirement or board renewal. Since the Company commenced its current operations in 2010, there has been an ongoing renewal of the Board as the skill sets required on the Board have changed over time since then. As a result of such renewal, with respect to the current Board, two directors have served for 5 years and two directors have served for just over 1 year. Each year, the CGNC reviews the current board make-up and existing skill sets and experience of the directors to determine if the current board members are appropriate for re-election and will continue to make an effective contribution and whether or not additional or replacement directors are required, given the Company's anticipated activities. The Board considers that the adoption of a fixed policy with respect to board renewal or age or term related retirement is not appropriate for the Company, and that the yearly review is a more appropriate and effective way of addressing the issue of the correct composition of the Board and Board renewal.

Orientation and Continuing Education

At the current time, the Board provides *ad hoc* orientation for new directors. New directors are briefed on strategic plans, short, medium and long term corporate objectives, the Company's current mineral properties and ongoing exploration programs, business risks and mitigation strategies, corporate

governance guidelines and existing company policies, and tour the Company's material mineral projects. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current level of operations, and the low Board turnover. However, if the growth of the Company's operations or significant Board turnover in the future warrants it, the Board would consider implementing a formal orientation process.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, not only technical knowledge in the fields of geology, mining finance and mining and securities law, but also extensive experience in the mineral exploration and mining industry and running and managing public companies in the natural resource sector, and several directors are also directors of other natural resource companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. The Company will pay the reasonable costs of attendance by directors at continuing education courses and seminars with respect to corporate governance, directors' duties and obligations and similar matters. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Board.

The Company also aims to have all members of the Board travel to and visit the Company's major mineral projects, currently the Martinere and Grasset projects on its Detour Trend Project in Quebec, at least once a year so that directors have the opportunity to visit the project sites and meet with staff in the field. A majority of the then current directors participated in such visits in 2014, and all current directors participated in such visit in March 2015.

Policies Regarding Representation of Women on the Board

The Board has not adopted a written policy relating to the identification and nomination of women directors. Instead, the charter of the CGNC provides, with respect to the nomination of directors, that the responsibility of the CGNC in identifying and recommending qualified candidates is to take into consideration such factors as it deems appropriate, including judgement, skill, diversity, experience with businesses and other organizations of comparable size and the need for particular expertise on the Board. In short, the role of the CGNC is to recommend the most appropriate candidates for election as directors of the Company, irrespective of gender. Neither the Board nor the CGNC specifically considers the level of representation of women on the Board when considering candidates for election or re-election as the intent of the CGNC is to recommend what it considers to be the "best" candidates, and it does so by reviewing qualifications of prospective board nominees and determines their relevance taking into consideration the then current Board composition and the anticipated skills required to round out the capabilities of the Board.

Similarly, the Board does not consider the level of representation of women in executive officer positions when making executive officer appointments. At the present time, the Company has a small management team reflective of its current operations and financial resources, and does not anticipate a material expansion in its management ranks until such time as a decision is made to move ahead with the development of one of its projects. The Company is committed to the fundamental principles of equal employment opportunities and treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance – free from discrimination or harassment because of race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, or physical or mental disability. The Company's policy is to select candidates for employment, including executive officer positions, based solely upon experience, skill and ability of candidates.

The Company does not currently have any women directors (0%), and has not adopted any targets regarding women on its Board. As noted above, in evaluating potential nominees to the Board, the CGNC focuses on the current Board composition and the anticipated skills required to round out the capabilities of the Board, including the knowledge and diversity of its membership. Targets which focus on only one characteristic among many are not considered to be in the best interests of the Company.

The Company presently has two women in executive officer positions (40%) and has not adopted any targets regarding women in executive officer positions. As noted above, the Company is an equal opportunity employer, whereby candidates for employment as executive officers are selected based upon primary considerations such as experience, skill and ability. As previously noted, targets which focus on only one characteristic among many are not considered to be in the best interests of the Company.

Details with respect to the mandate and powers of the CGNC are given below under "Other Board Committees".

Nomination of Directors

Selection Process

The CGNC (in which all members are independent) is responsible for reviewing proposals for new nominees to the Board, conducting such background reviews, assessments, interviews and other procedures as it believes necessary to ascertain the suitability of a particular nominee, and then recommending possible candidates for nomination for election or appointment as a director. Once the CGNC has selected a candidate it believes is appropriate, it then makes a recommendation to the Board as to the nomination of the identified individual for election as a director, for appointment as a replacement for a director who has resigned or for appointment as an additional director, as applicable.

The selection of potential nominees for review by the CGNC are generally the result of recruitment efforts by the individual Board members or the CEO, including both formal and informal discussions among Board members and with the CEO, and are usually based upon the desire to have a specific set of skills or expertise included on the Board. The CGNC carries out such reviews as it determines to be appropriate (which may include interviews with the proposed nominee) to determine if the proposed nominee is suitable for election to the Board.

The appointment of new directors or the nomination for election as a director or a person not currently a director by the shareholders at an annual general meeting ("**AGM**") is carried out by the Board, based on the recommendation of the CGNC. Prior to an AGM, the CGNC carries out a review of the current board composition and makes recommendations as to the individuals (whether existing directors or non-directors) it considers should be nominated for election as a director at the upcoming AGM.

Because the CGNC may be seeking potential candidates with specific skill sets, and because many potentially suitable individuals do not have the required time or are not willing to act as a director of a junior mineral exploration company such as the Company, the identification and assessment of potential appropriate candidates who would be willing and able to serve can take some time. The approach of the CGNC is to take the necessary time to find the best and most suitable candidate(s), and not to be rushed into a nomination or appointment simply to meet artificial deadlines or to have or maintain a "recommended" number of directors.

Skill set & Diversity

As noted above, candidates for nomination as a director are assessed on their individual skill set, integrity, professionalism, diversity, public company and mining sector experience. The CGNC considers a mix of

these qualities important in the selection criteria when determining the best composition for the Board and the Company's specific needs.

The CGNC supports not only a gender diverse Board but a Board which encompasses the full spectrum of diversity. The CGNC believes diversity brings different perspectives and enhances the Board's effectiveness. The CGNC does not support fixed quotas or targets for its selection criteria, as the CGNC believes that each nominee should be evaluated based the nominee's particular merits and experience taking into consideration the current composition of the Board.

Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives according to the highest ethical standards. To this end, on July 21, 2010 the Board adopted a "Code of Business Conduct and Ethics" for its directors, officers and employees and, in appropriate cases, consultants. Interested shareholders may obtain a copy at www.sedar.com. Pursuant to the Code, the Company has appointed its Corporate Secretary to serve as the Company's Ethics Officer to ensure adherence to the Code, reporting directly to the Board. Training in the Code is included in the orientation of new employees and, to ensure familiarity with the Code, directors, officers and employees are asked to read the Code and sign a Compliance Certificate annually. Directors, officers and employees are required to report any known violations of the Code to the Corporate Secretary or the Chairman of the Audit Committee or, alternately, to the Company's outside U.S. or Canadian counsel.

There have not been, since the beginning of the Company's most recent fiscal year, any material change reports filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

In addition to the provisions of the Code, directors and senior officers are bound by the provisions of the Company's Articles and the *Business Corporations Act* (British Columbia) which set forth how any conflicts of interest are to be dealt with. In particular, any director who has a material interest in a particular transaction is required to disclose such interest and to refrain from voting with respect to the approval of any such transaction.

Communications with the Board

Interested parties, including shareholders of the Company, desiring to communicate with members of the Board may do so by mailing a request to the Corporate Secretary of Balmoral Resources Ltd. at 2300-1177 West Hastings Street, Vancouver, British Columbia, Canada, V6E 2K3. Any such communication should state the number of shares beneficially owned, if any, by the interested party making the communication. The Secretary will forward any such communication to the Chair of the CGNC, and to other members of the Board, as appropriate, provided that such communication addresses a legitimate business issue. Any communication relating to accounting, internal controls, auditing or fraud will be forwarded to the Chair of the Audit Committee.

Compensation

See "Executive Compensation – Director Compensation" in the information circular to which this Schedule "A" is attached for information with respect to the Compensation Committee and the Compensation Committee's approach to the compensation of directors.

Other Board Committees

Committees of the Board are an integral part of the Company's governance structure. At the present time, the Board has the following standing committees: Audit Committee, Compensation Committee, Sustainable Development Committee and Corporate Governance and Nominating Committee.

Disclosure with respect to the Audit Committee, as required by NI 52-110, is contained under "Additional Information" and Schedule "A" of the Company's 2014 Annual Information Form dated March 26, 2015, and with respect to the Compensation Committee is contained in the information circular to which this Schedule "A" is attached under the heading "Compensation Committee". Details of the composition and function of the remaining standing committees of the Board, as at the date of this Information Circular, is as follows:

Sustainable Development Committee ("SDC")

Darin Wagner (Chair)
Lawrence Talbot
Graeme Currie
Daniel MacInnis

The SDC has a written charter. The overall purpose of the SDC is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's continuing commitment to improving the environment and ensuring that its activities are carried out, and that its facilities are operated and maintained, in a safe and environmentally sound manner and reflect the ideals and principles of sustainable development. 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. The SDC also advises the Board and makes recommendations for the Board's consideration regarding health, safety, community relations and environmental-related issues. To this end, the SDC endeavours to have at least one meeting per year onsite at the Company's material mineral projects.

Corporate Governance and Nominating Committee ("CGNC")

Lawrence Talbot (Chair)
Graeme Currie
Daniel MacInnis

The CGNC has a written charter. The role of the CGNC is to (1) develop and monitor the effectiveness of the Company's system of corporate governance; (2) establish procedures for the identification of new nominees to the Board and lead the candidate selection process; (3) develop and implement orientation procedures for new directors; (4) assess the effectiveness of directors, the Board and the various committees of the Board; (5) ensure appropriate corporate governance and the proper delineation of the roles, duties and responsibilities of management, the Board and its committees; and (6) assist the Board in setting the objectives of the CEO and evaluating the performance of the CEO.

Assessments

The Board has not, as yet, formally assessed its performance or the performance of individual directors or committee members or their contributions. The CGNC has, as part of its mandate, the responsibility for producing reports (which may be verbal) with respect to performance evaluations of the CEO, the Board as a whole, the individual committees of the Board and individual directors, on an annual basis. The CGNC is in the process of determining the appropriate processes for such evaluations, and is reviewing

the processes adopted by similar sized public natural resource companies in order to assist it in this regard.

Balmoral's Policies

Majority Voting Policy

On September 20, 2013, the Board adopted a "Majority Voting Policy". Pursuant to the majority voting policy, the form of proxy for meetings of the shareholders of the Company at which directors are to be elected provide the option of voting in favour, or withholding from voting, for each individual nominee to the Board. If, with respect to any particular nominee, the number of shares withheld from voting in respect of such nominee exceeds the number of shares voted in favour of such nominee, then the nominee will be considered to have not received the support of the shareholders, and such nominee is expected to submit his or her resignation to the Board, to take effect on acceptance by the Board. The CGNC will review any such resignation and make a recommendation to the Board regarding whether or not such resignation should be accepted. The Board will determine whether to accept the resignation within 90 days following the shareholders' meeting. If the 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 of the Company;

(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 of the Company to consider the election of a nominee recommended by the Board to fill the vacant position.

Directors who do not submit their resignation in accordance with the majority voting policy will not be re nominated for election at the next shareholders' meeting. The majority voting 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.

Advance Notice Policy

On January 18, 2013, the Board adopted an "Advance Notice Policy", which ensures that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees and allows shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

The purpose of the Advance Notice Policy is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Policy fixes a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Social Media Policy

On August 7, 2012, the Board adopted a "Social Media Policy". The purpose of the Social Media Policy is to establish clear and reasonable guidelines and expectations regarding the responsible use of Social

Media for personal and/or business purposes, as applicable, by the Company's directors, officers, employees and consultants.

Share Trading Policy

On July 21, 2010, the Board adopted a "Share Trading Policy", which prescribes rules with respect to trading in securities of the Company where there is any undisclosed material information or a pending material development. Strict compliance with the provisions of this policy is required, with a view to enhancing investor confidence in the Company's securities and contributing to ethical business conduct by the Company's personnel.

Anti-Hedging Policy

The Company does not currently have an anti-hedging policy in place for directors, officers or employees and such persons may therefore purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation. The Board will assess the need and consider implementing such a policy in the future, if warranted.