

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

BALMORAL RESOURCES LTD. (the "Issuer")  
1750-700 West Pender Street  
Vancouver, BC V6C 1G8

**Item 2. Date of Material Change**

December 12, 2016

**Item 3. News Release**

The date of the news release issued pursuant to section 7.1 of National Instrument 51-102 with respect to the material change disclosed in this report is December 12, 2016. The news release was issued in Vancouver, British Columbia through Marketwired and filed via SEDAR.

**Item 4. Summary of Material Change**

Balmoral Resources reported the continued intersection of broad zones of gold mineralization from expansion drilling on the Company's Bug South Gold Deposit in Quebec. Four of the five holes returned gold mineralized down hole intervals ranging in width from 29.53 to 78.15 metres, with average grades ranging between 1.58 and 2.16 g/t gold for these broad intervals. These results are from the Upper Bug Zone, one of several gold mineralized zones contained within the Bug South Deposit. Each of these intervals features higher grade sub-zones with highlights including 17.00 metres grading 4.50 g/t gold, 9.89 metres grading 4.50 g/t gold and 9.08 metres grading 7.10 g/t gold.

**Item 5. Full Description of Material Change**

See News Release dated December 12, 2016.

**Item 6. Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

No information has been omitted on the basis that it is confidential.

**Item 8. Executive Officer**

The following Executive officer of the Issuer is knowledgeable about the material change disclosed in this report. Darin Wagner, President & CEO; Business Telephone No.: (604) 638-3664.

**Item 9. Date of Report**

December 12, 2016