January 2019

BALMORAL RESOURCES

From our core to the core of the transportation revolution

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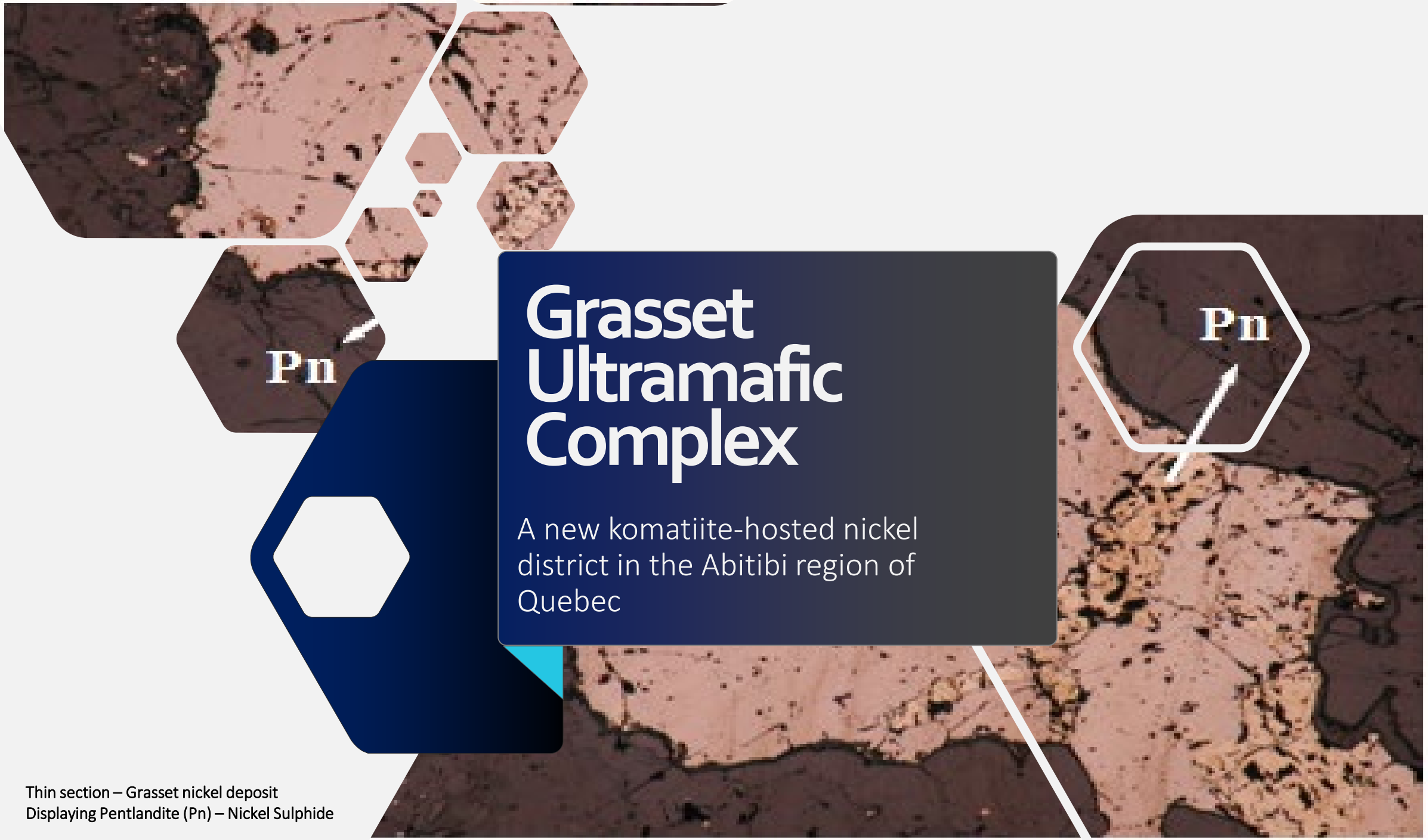
Grasset Ultramafic Complex

A new komatiite-hosted nickel district in the Abitibi region of Quebec



Thin section – Grasset nickel deposit
Displaying Pentlandite (Pn) – Nickel Sulphide

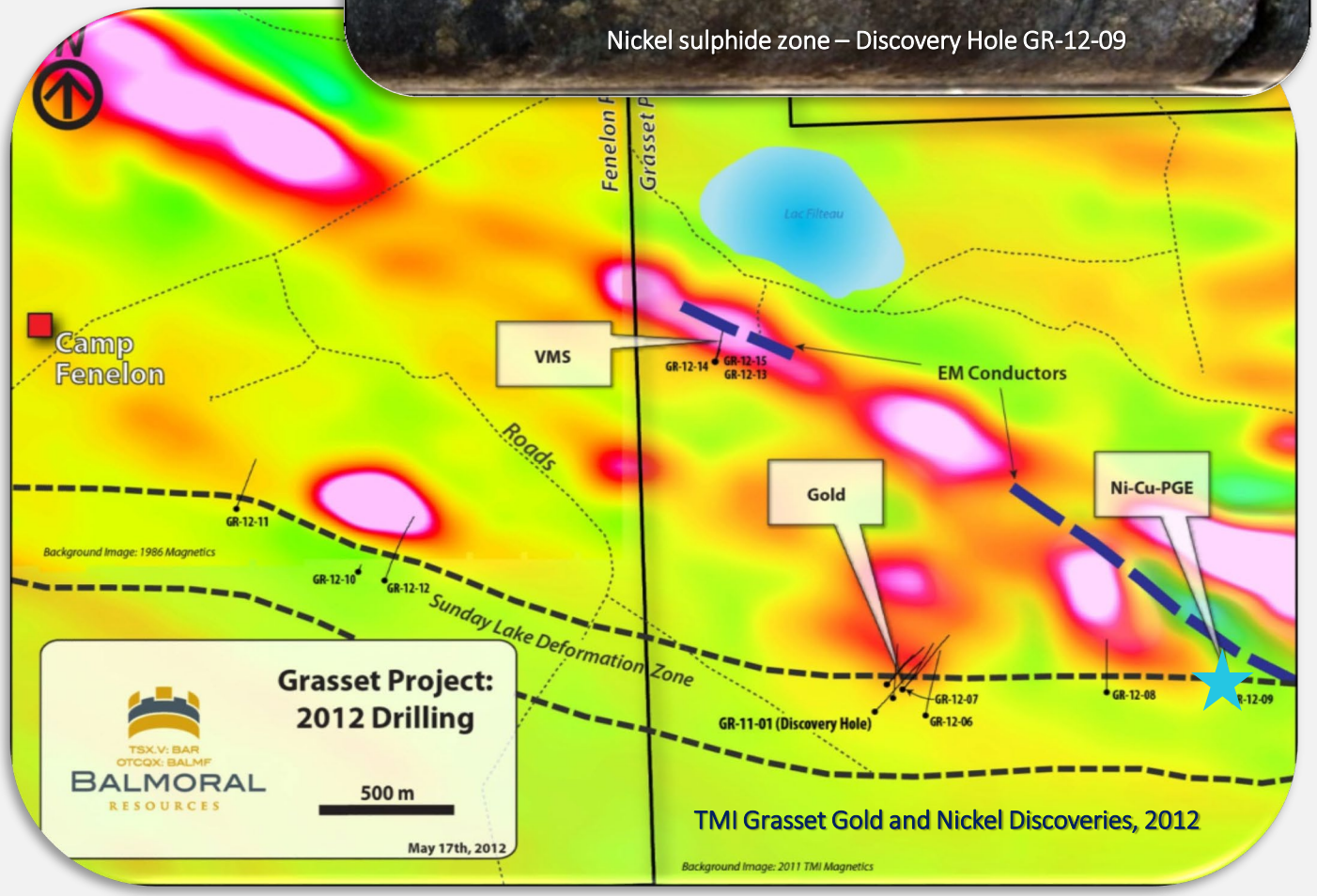
Discovery

In 2012, while following-up on the Grasset Gold Zone discovery, Balmoral intersected a 9.17 metres zone of ultramafic intrusive hosted nickel sulphide mineralization in an area of heavy overburden on the Grasset Property in west-central Quebec.

The discovery intercept returned 9.17 metres grading 0.51% nickel, 0.09% copper, 0.02% cobalt, 0.15 g/t platinum and 0.33 g/t palladium.

More importantly, it indicated the presence of magmatic nickel sulphide mineralization associated with an extensive trend (> 8 kilometres long) of buried magnetic anomalies on the Grasset and adjacent Fenelon properties, where historic exploration had intersected narrow nickel-rich intervals in similar ultramafic lithologies.


Nickel sulphide zone – Discovery Hole GR-12-09



TMI Grasset Gold and Nickel Discoveries, 2012

The Grasset Ni-Cu-Co-PGE deposit

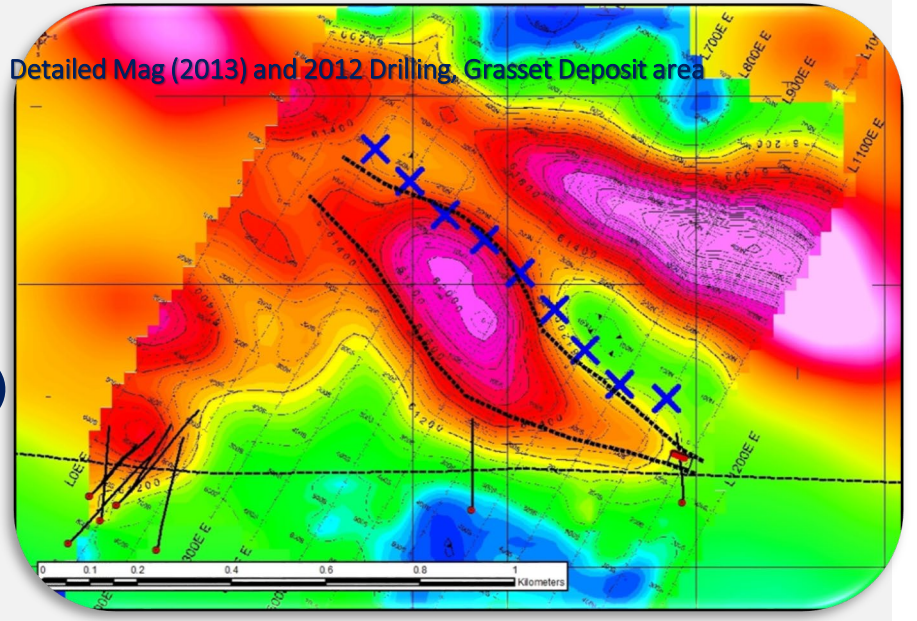
Follow-up geophysical work (2013) and diamond drilling (2014-2015) demonstrated that the discovery intercept was the tail-end of what is now the 1,000+ metre long H1 Zone of the Grasset Ni-Cu-Co-PGE deposit.

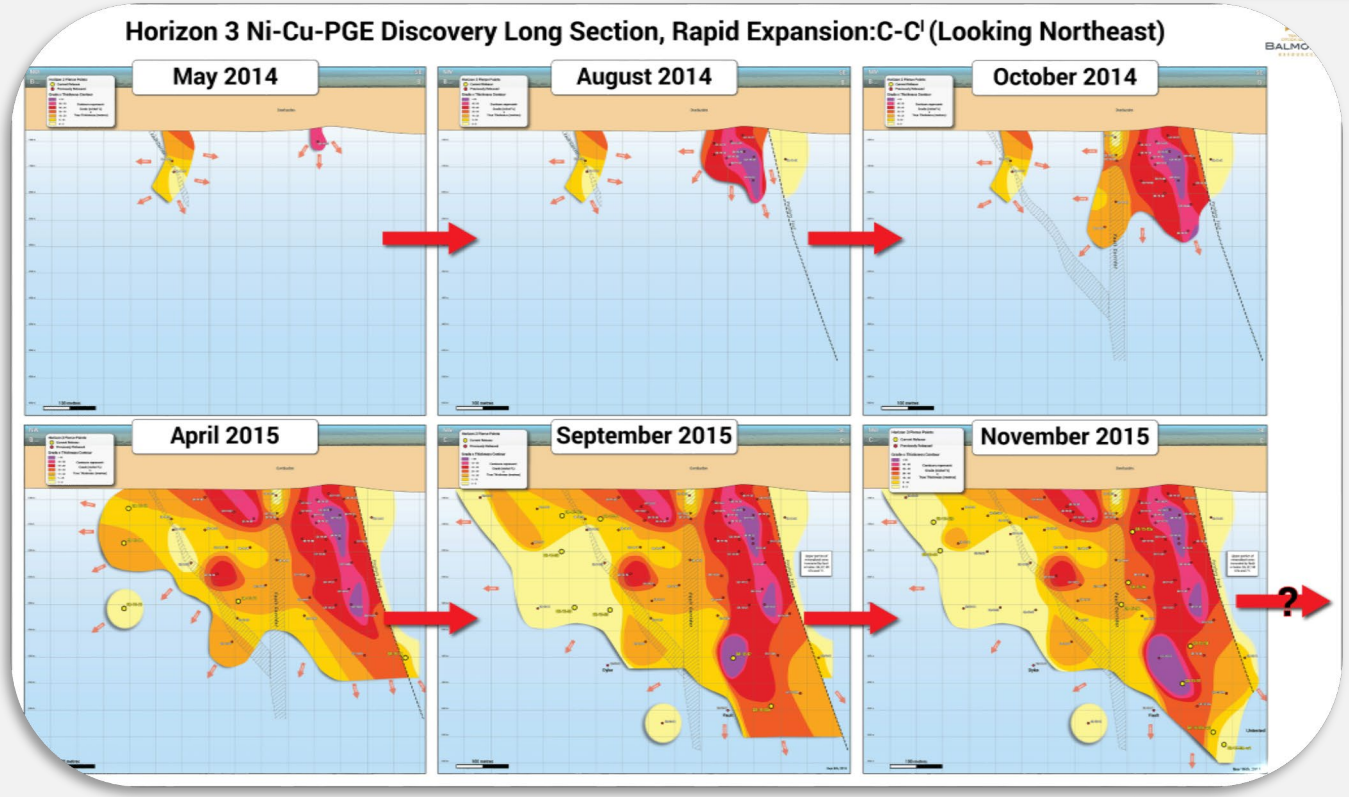
The larger H3 Zone of the deposit was intersected in early 2014 and the deposit grew rapidly throughout 2014 and 2015.

Slumping nickel prices led to the suspension of drilling on the deposit in late 2015. An initial resource estimate for the deposit was produced in 2016 which outlined an Indicated Resource of:

*3.45 million tonnes grading 1.56% nickel, 0.11% copper, 0.03% cobalt, 0.34 g/t platinum and 0.84 g/t palladium**

This high grade, base case Indicated Resource is contained within the core of the deposit, which in total reaches > 15.6 million tonnes at an average grade of 0.72% nickel*; making it the largest nickel sulphide deposit in Canada's vast Abitibi region.

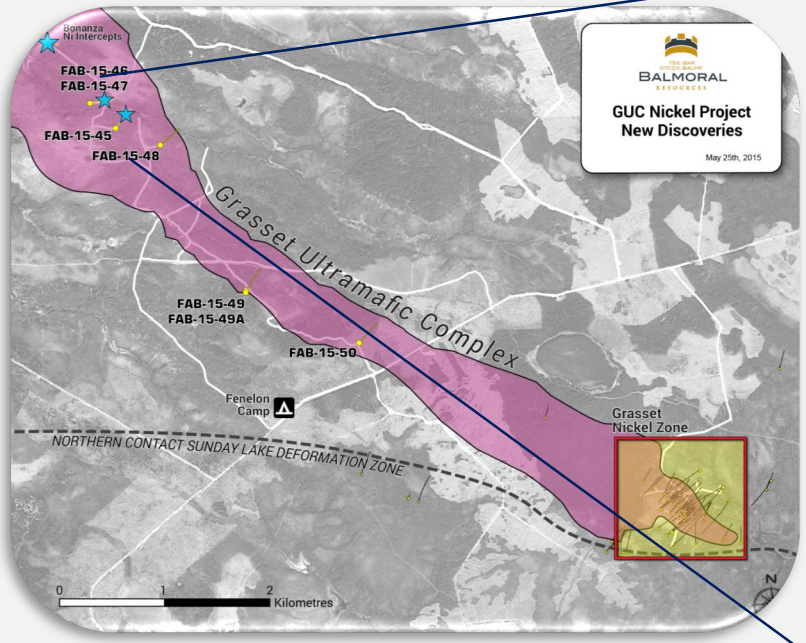




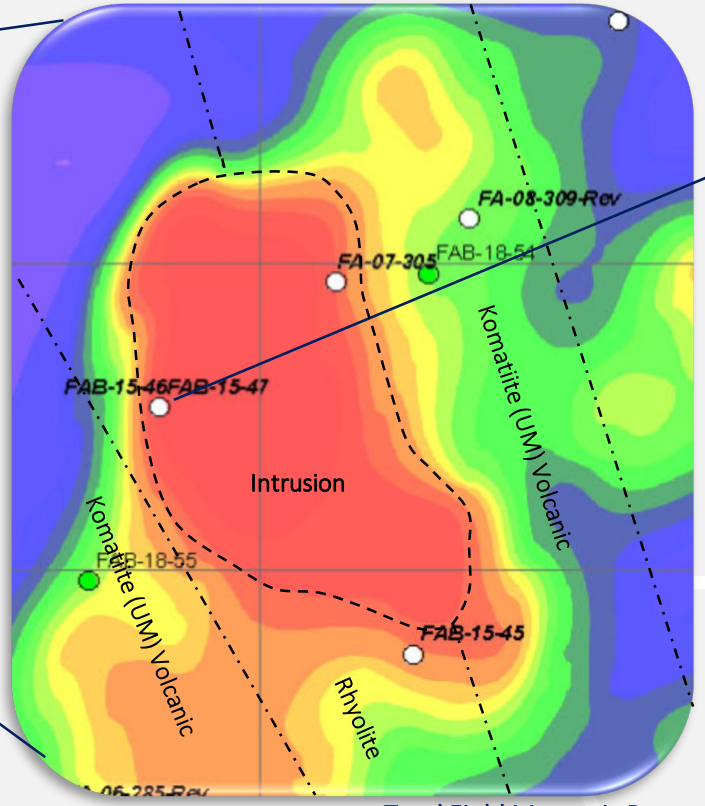
* Please see the disclosure related to the resource estimate at the end of this presentation

The Grasset Ultramafic Complex

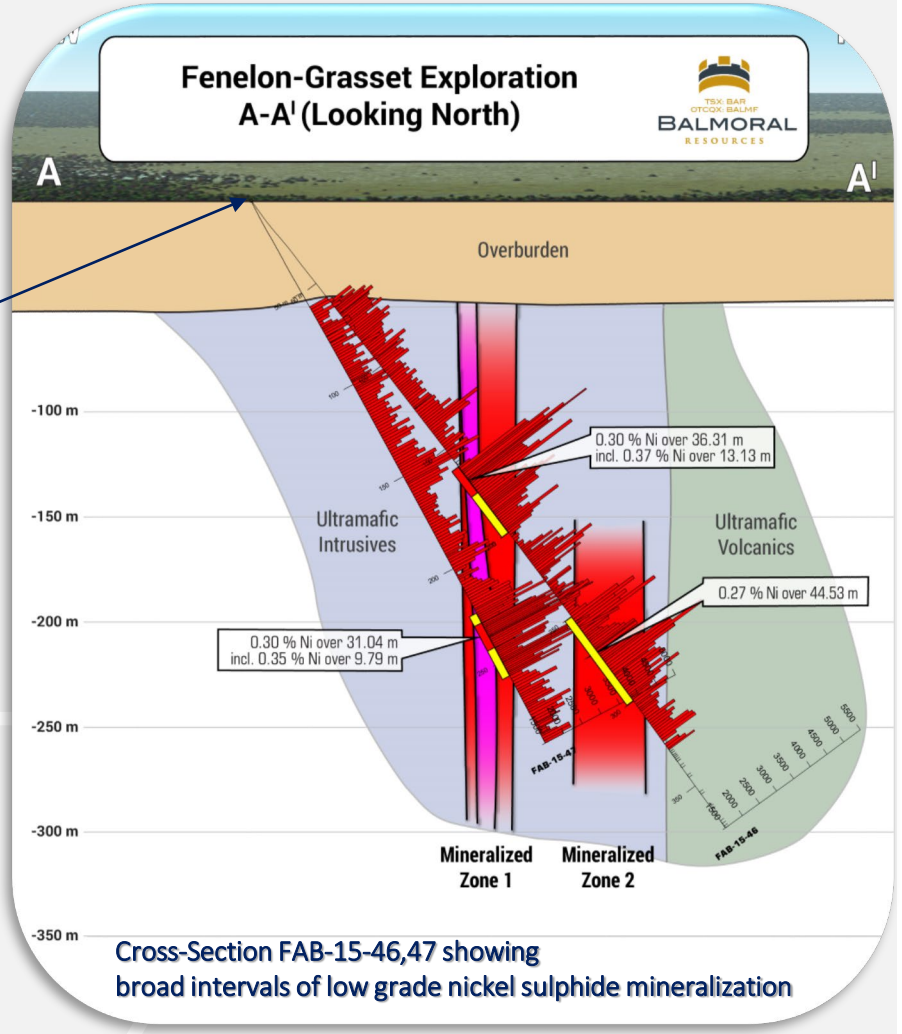
The 2015 drilling indicated broad intervals of anomalous nickel sulphide mineralization within strongly magnetic, peridotite intrusive phases of the GUC, 7 kilometres north of the Grasset deposit – mineralization similar to the peripheral phases of the Grasset deposit.



GUC and Ni and Gold Discoveries, 2015



Total Field Magnetic Data



Cross-Section FAB-15-46,47 showing
broad intervals of low grade nickel sulphide mineralization

It also importantly indicated the presence of significantly less magnetic ultramafic volcanic rocks – komatiites – beneath (at a lower stratigraphic level) the intrusive phase which had not been properly recognized in historic work and remained virtually untested – these komatiites host Balmoral's newest discoveries

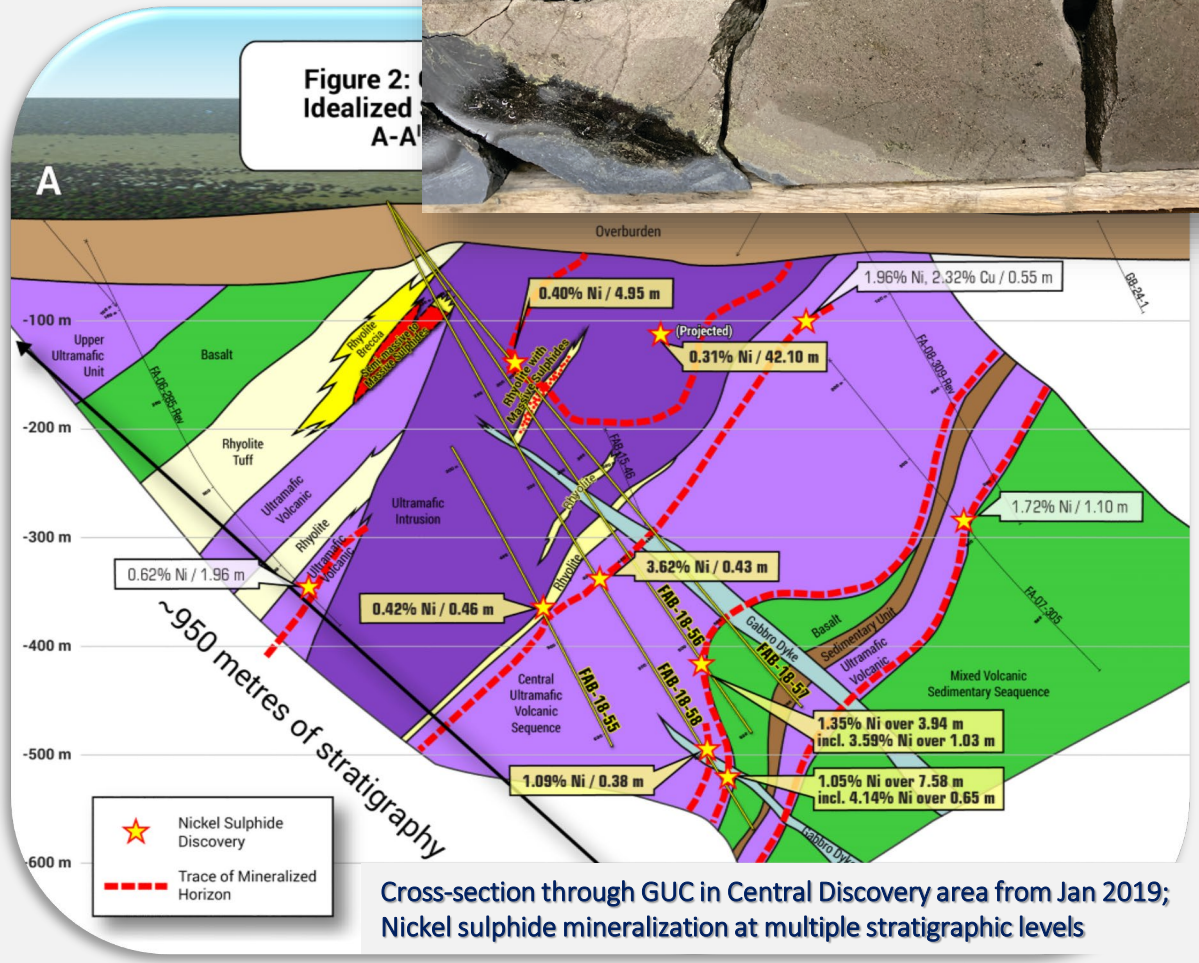
New Discoveries – Type 1 Ni-Sulphide

Balmoral resumed drilling within the GUC in late 2018 and announced a series of new nickel sulphide discoveries located approx. 7 kms northwest of the Grasset deposit.

Unlike Grasset, which is intrusive/conduit hosted (a "Type 2 komatiite hosted deposit" – see following pages), these new discoveries are hosted within the basal portion of the ultramafic (komatiite) volcanic sequence of the GUC. Geologically they are "Type 1 komatiite hosted nickel" discoveries and the first confirmation of this type of mineralization in the GUC.

They exhibit classic magmatic zoning – from disseminated, through matrix or net textured, to basal massive sulphides and occur at several levels within the stratigraphy. Two recent massive sulphide intercepts show grades range from 3.59 to 4.14% Ni with strong elevated cobalt (0.18% in both intercepts) and palladium (1.27-1.93 g/t) as well as strong copper and platinum results

Like Grasset they are nickel dominant with locally high to very high palladium and cobalt values and elevated copper and platinum.



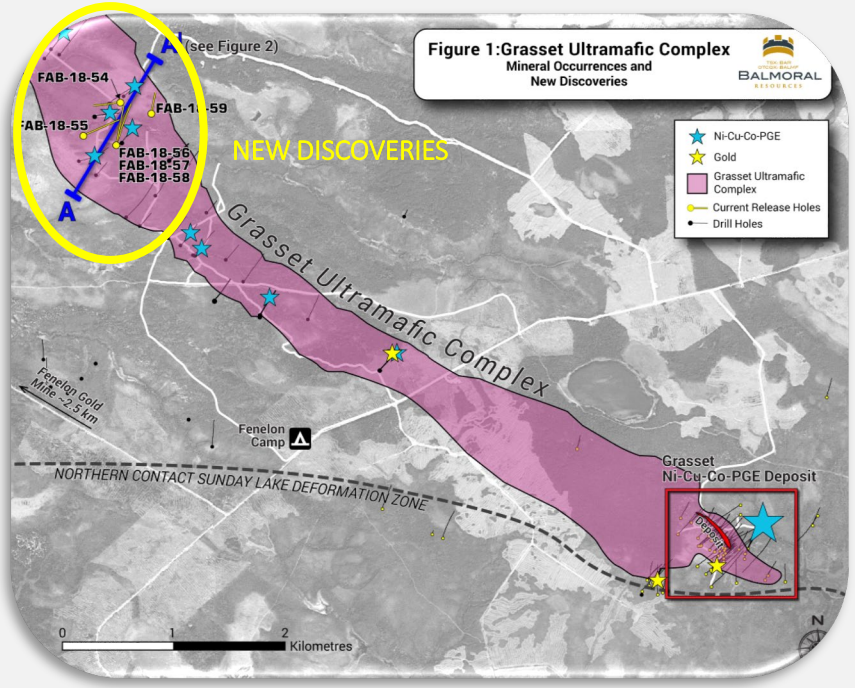
Cross-section through GUC in Central Discovery area from Jan 2019; Nickel sulphide mineralization at multiple stratigraphic levels

A Comparison Of Komatiite Nickel Sulphide Deposit Types

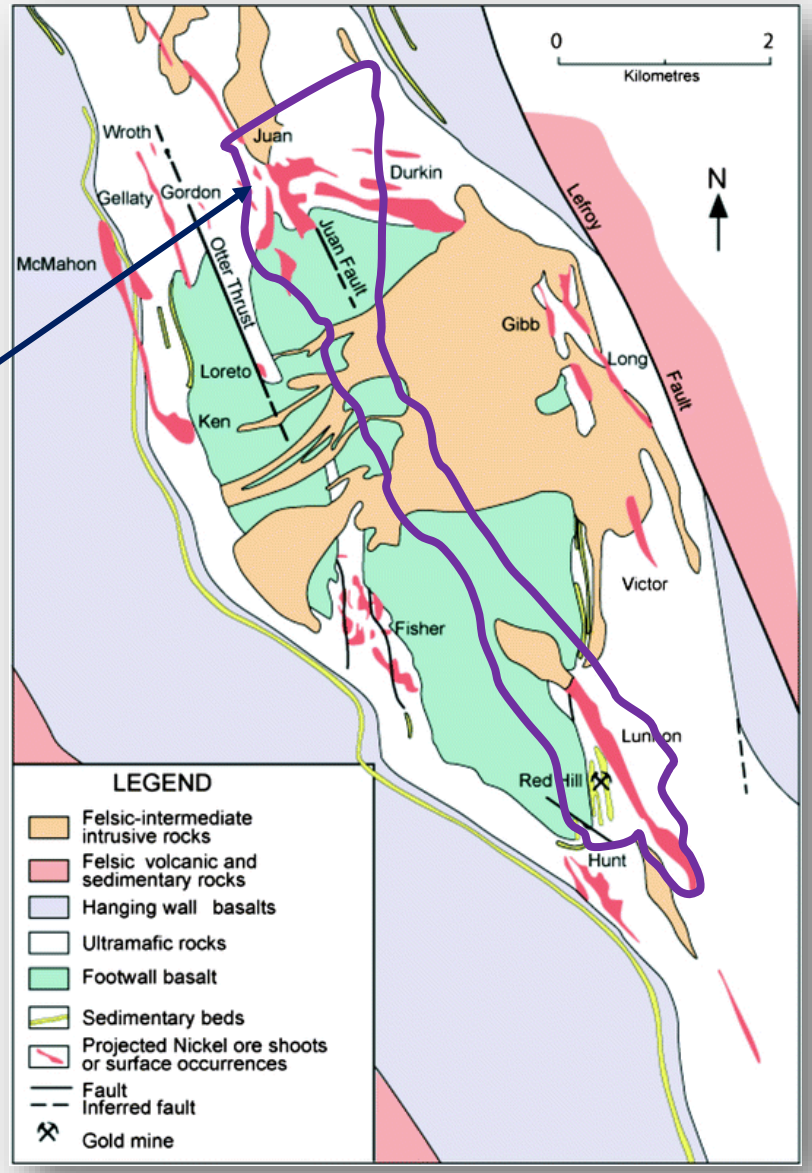
	Type 1	Type 2	Type 1 – Intrusive Contact
Sulphide Content	Massive - matrix - heavily disseminated; typically >40 modal %	Disseminated, typically <10 modal %	Massive to semi-massive, limited disseminated ore, typically >60 modal %
Sulphide Accumulation Process	Physical emplacement of a discrete, sulphide saturated magma phase - may be modified by gravitational settling	Broadly coeval accumulation of droplets of sulphide liquid and silicate gangue minerals such as olivine and orthopyroxene	Contamination of sulphide undersaturated magma via assimilation of sulphide or other wallrock consitituents
Statigraphic Location	Occuring at the base of individual flow units and most commonly at the base of the flow sequence in contact with country rocks	Most commonly located within the central portion of larger conduit or intrusive bodies within the volcanic sequence	Located at the contacts, and most commonly at the basal contact, of larger conduit of intrusive bodies in the sequence
Grade/Tenor	Variable tenor, Massive ores ranging from 2-20% Ni, matrix ores avg around 2.5% Ni, <1% Ni for disseminated ores	Variable tenor, massive ores rare but ranging 3-18% Ni; disseminated ores typically higher grade than Type 1 deposits <2%	Lower tenor (contamination), massive ores typically 1.5-4% Ni, disseminated ores 0.3 - 0.8% Ni; similar to many Archean gabbro hosted deposits
Tonnage	0.5 - 50 Mt	3-500 Mt	0.5-15 Mt
Dimensions	Thickness 5-50 m, width 50-300 m, down-plunge extent up to 2,000 m	Thickness 20 to 150 m, width 100 to 600 m, down plunge extent up to 3,500 m	Thickness 2 to 25 m, width 50-400 m, down plunge up to 500 m
Ni:Cu Ratio	7 to 19	> 15	1 to 12
GUC Example	New Discoveries FAB-18 holes	Grasset Deposit H3 Zone	Grasset Deposit H1 Zone

So What's the Big Deal with Type 1 Deposits?

Type 1 komatiite hosted nickel sulphide deposits are known to cluster. They occur in depressions or basins developed at or near the base of regionally extensive komatiite sequences. Each depression (thermal erosion channel) can host nickel sulphide mineralization resulting in district scale mining centres including the prolific Kambalda region in Australia.



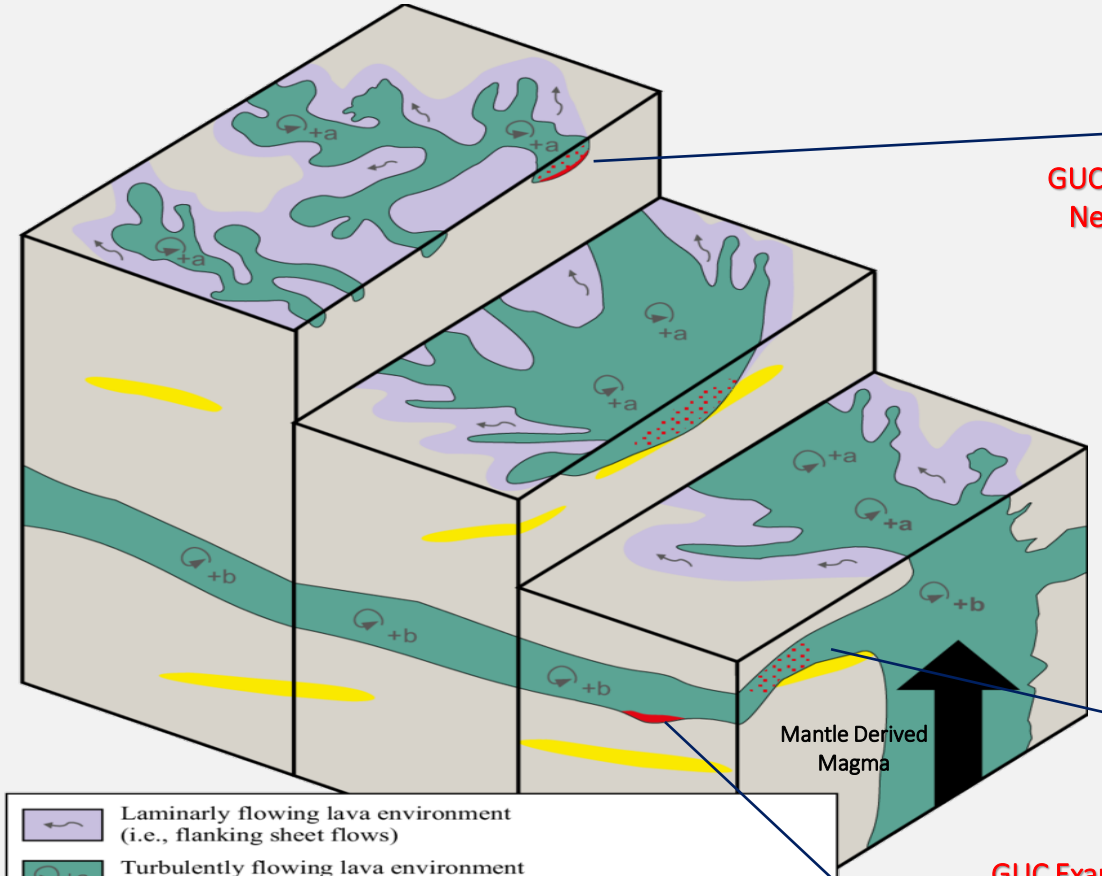
Outline of the currently known extent of the GUC – to scale



Type 1 and 2 Komatiite Hosted Nickel Deposits in the Kambalda Region of Australia

The figure to the left shows a map of nickel deposits in the Kambalda region overlain by the currently known outline of the GUC - which is of similar scale and remains unexplored, under cover to the northwest .

Komatiite Nickel Sulphide Deposit Models



Laminarly flowing lava environment (i.e., flanking sheet flows)

Turbulently flowing lava environment (i.e., channelized lava pathways and/or conduits)

Turbulently flowing sill and feeder channel environment

Sulfur bearing country rocks

Massive Ni-Cu-PGE sulfide accumulation (Type I deposits)

Disseminated Ni-Cu-PGE sulfides (Type II deposits)

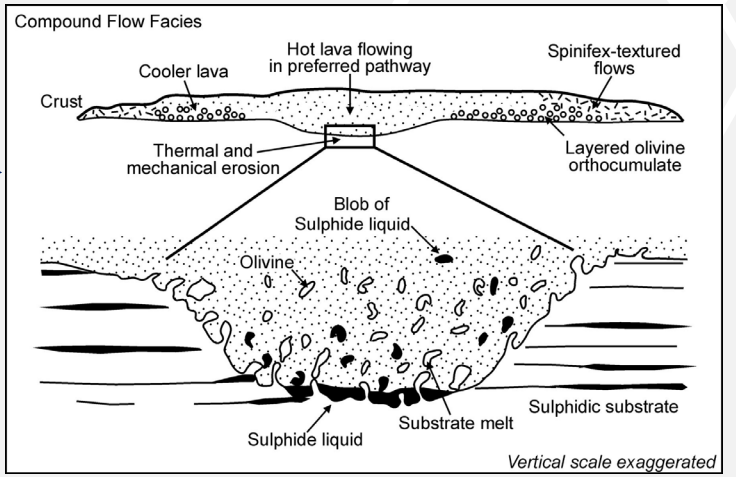
Modified after Fiorentini et al (2012)

GUC Examples:
New Hole 56-58 Discoveries

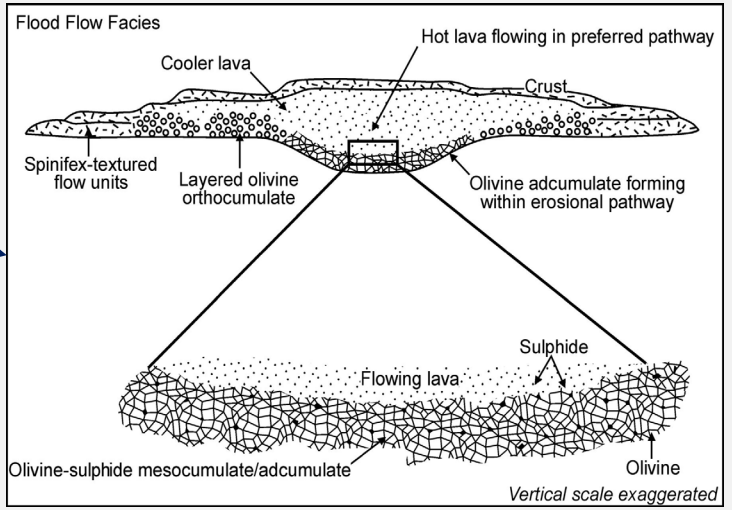
GUC Examples:
Grasset Deposit H3 Zone
New Discoveries 7.0 km NW

GUC Examples:
Grasset Deposit H1 Zone
New Discoveries Hole 55, 57

Modified Type 1: Sulphide Zones formed at the contact between intrusive/conduit bodies (vs. volcanic contacts) and surrounding wall rock

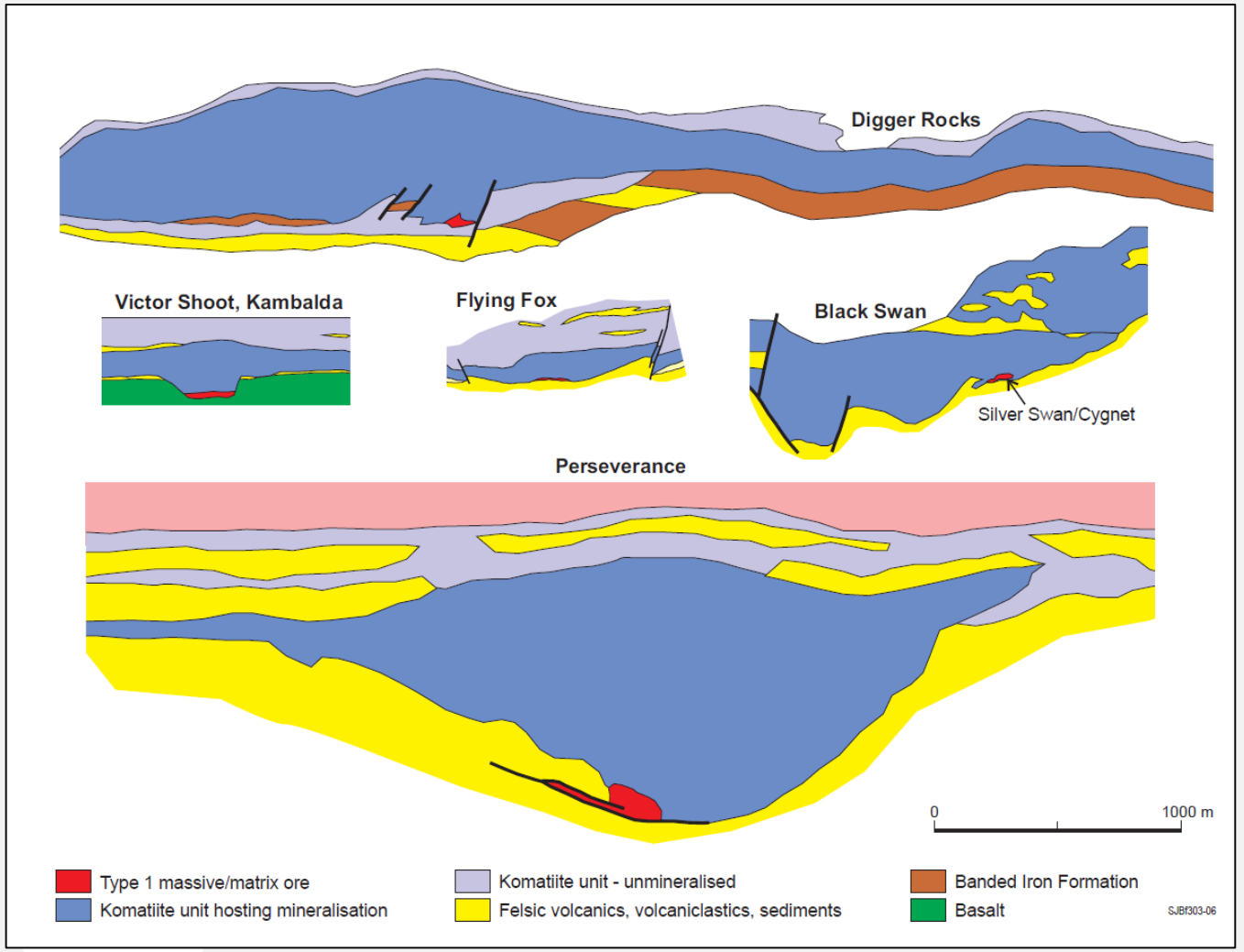


Type 1 Deposits: Sulphide droplets sink and settle at the base of channelized lava flows to form more progressively more massive sulphide accumulations – laterally extensive channels; Barnes 2006



Type 2 Deposits: Sulphide droplets in the magma crystallize along with olivine at the interface between active flowing magma and partially crystallized domain leading to dominantly disseminated deposits; Barnes 2006

Regional Geological Setting – Type 1 Deposits



Reconstructed stratigraphic sections through various Type 1 deposit, all at the same scale, vertical scale exaggerated by a factor of 2, showing location of ore in relation to size and geometry of the host komatiite unit and its footwall rocks – Barnes 2006

Like the Australian examples illustrated, the GUC is part of a dominantly bimodal komatiite – felsic volcanic complex which strikes northwest through Balmoral's Grasset and Fenelon properties for over 8,000 metres

The GUC volcanic sequence is southwest dipping. Like the examples illustrated, the Type 1 discoveries announced by Balmoral in January of 2019 occur at, or near, the base of the central komatiite unit.

The GUC, while not precisely age dated at the present time, is of similar age to the nickel sulphide hosting komatiite sequence in the Kambalda region of Australia (~ 2.7 Ga) which hosts numerous Type 1 deposits.

Interestingly, as in the Grasset area, a number of high-grade, structural controlled gold deposits occur proximal to the nickel sulphide bodies in the Kambalda region including the recent, high-profile Beta-Hunt discovery

What's Next.....

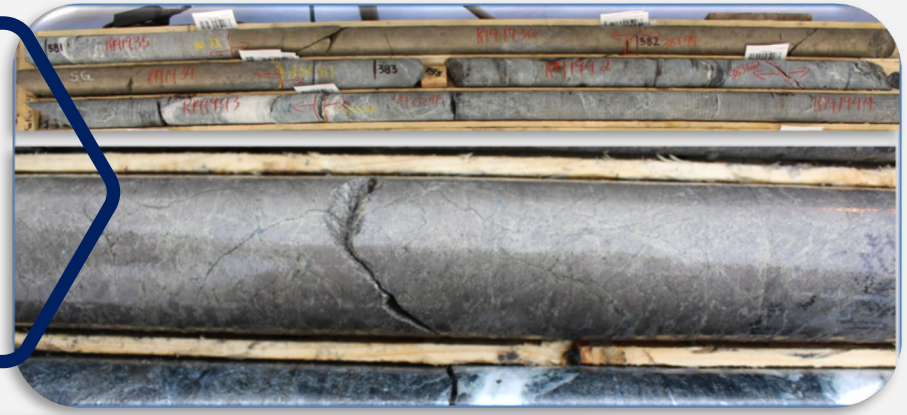
Following the completion of drilling in late 2018, borehole EM surveys were conducted on all accessible holes in the discovery area.

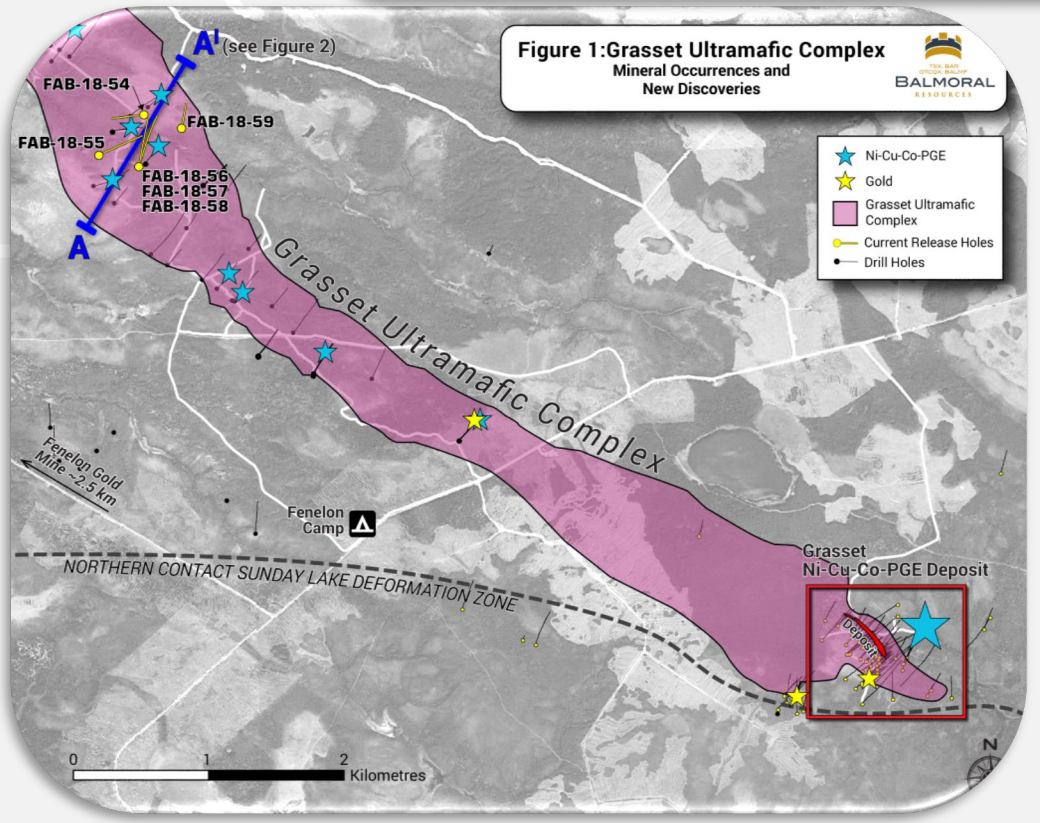
These surveys successfully outlined in-hole conductors associated with the semi-massive to massive sulphide bodies intersected. Modelling of these anomalies continues, but clearly indicates continuity of 10's to 100's of metres in each case, providing high priority drill targets for follow-up testing and discovery expansion.

As well, off-hole anomalies were detected in at least two holes indicating the potential for new discoveries within the komatiite package. Numerous existing airborne conductors in the immediate area require first pass or additional testing.

With a new exploration model confirmed, testing of the broader stratigraphic package and geophysical anomalies along it offers the near-term opportunity for additional discoveries.

In addition, the recognition that nickel sulphides occur in relatively low magnetic portions of the volcanic sequences opens several kilometres of projected stratigraphy to evaluation and drill testing.





ThankYou

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Grasset: Initial Resource Estimate: Assumptions and Notes

1. The Independent and Qualified Persons for the Mineral Resource Estimate, as defined by NI 43-101, are Mr. Pierre-Luc Richard, P.Geo., M.Sc., and Mr. Carl Pelletier, P.Geo., B.Sc., both of InnovExplo Inc. The effective date of the Estimate is January 12, 2016
2. These mineral resources are not mineral reserves as they do not have demonstrated economic viability.
3. While the results are presented undiluted and in situ, the reported mineral resources are considered to have reasonable prospects for eventual economic extraction.
4. The estimate includes two (2) mineralized zones (Horizon 1 and Horizon 3).
5. Resources were compiled at NiEq cut-off grades of 0.30%, 0.40%, 0.50%, 0.60%, 0.70%, 0.80%, 0.90%, 1.00%, 1.10%, 1.20%, 1.30%, 1.40%, 1.50%, and 2.00%. The official resource potential is reported at a 1.00% NiEq cut-off grade.
6. Cut-off calculations used: CAD 48.00$ Mining, 6.00$ Maintenance, 10.00$ G&A, 22.00$ Mining for a total of 86.00$ operating costs. A dilution factor of 7.5% was also applied to the cut-off grade calculation.
7. *NiEq = $[[(Ni_{Grade(\%)} \times Ni_{CR(\%)} \times Ni_{Payable(\%)} \times Ni_{Price(\$)}) + (Cu_{Grade(\%)} \times Cu_{CR(\%)} \times Cu_{Payable(\%)} \times Cu_{Price(\$)}) + (Co_{Grade(\%)} \times Co_{CR(\%)} \times Co_{Payable(\%)} \times Co_{Price(\$)})] \times 2205 + [(Pt_{Grade(g/t)} \times Pt_{CR(\%)} \times Pt_{Payable(\%)} \times Pt_{Price(\$)}) + (Pd_{Grade(g/t)} \times Pd_{CR(\%)} \times Pd_{Payable(\%)} \times Pd_{Price(\$)})] / 31.1035 - Cr_{Penalty(\$)}] / (Ni_{Payable(\%)} \times Ni_{CR(\%)} \times Ni_{Price(\$)} \times 2205)$; where CR(%) is a variable concentrate recovery ratio derived from metallurgical balance study, and Payable(%) is applied on concentrates. Note that a minimum deduction of 0.20% Co was applied on concentrate.
8. *NiEq calculations used: USD/CAD exchange rate of 1.14, Nickel price of US$6.56/lbs, Copper price of US$2.97/lbs, Cobalt price of US$13.00/lbs, Platinum price of US$1,302.30/oz, and Palladium price of US$737.20/oz (These are 3-year trailing averages calculated at the effective date); Payable of 70% for Nickel, 75% for Copper, 75% for Cobalt (minimum deduction of 0.20%), 45% for Platinum, and 45% for Palladium applied on expected concentrate based on analysis of available smelting and refining cost parameters
9. Cut-off and NiEq calculations would have to be re-evaluated in light of future prevailing market conditions (metal prices, exchange rate, smelting terms, and mining costs).
10. Density values were estimated for all lithological units from measured samples. Density values for the Horizon 1 and Horizon 3 mineralized zones were interpolated from both a measured density database and a correlation database accounting for a selection of metals (Ni, Fe, Co) yielding the best correlation with the measured database.
11. The resource was estimated using GEMS 6.7. The estimate is based on 111 diamond drill holes (39,999.43 m). A minimum true thickness of 3.0 m was applied, using the grade of the adjacent material when assayed, or a value of zero when not assayed.
12. High grade capping was done on raw assay data and established on a per zone basis for Nickel (15.00%), Copper (5.00%), Platinum (5.00g/t), and Palladium (8.00g/t). Capping grade selection is supported by statistical analysis.
13. Compositing was done on drill hole sections falling within the mineralized zones (composite = 1.0 m).
14. Resources were evaluated from drill holes using a 3-pass ID2 interpolation method in a block model (block size = 5 x 5 x 5 m).
15. The Mineral Resources presented herein are categorized as Indicated and Inferred based on drill spacing, geological and grade continuity. Based on the nature of the mineralization, a maximum distance to the closest composite of 50 m was used for indicated Resources. The average distance to the nearest composite is 22.9 m for the Indicated resources and 53.6 m for the Inferred resources.
16. Ounce (troy) = metric tonnes x grade / 31.10348. Calculations used metric units (metres, tonnes and g/t). Metal contents are presented in ounces and pounds.
17. The number of metric tons was rounded to the nearest hundred. Any discrepancies in the totals are due to rounding effects
18. The quantity and grade of reported Inferred resources in this Mineral Resource Estimate are uncertain in nature and there has been insufficient exploration to define these Inferred resources as Indicated or Measured, and it is uncertain if further exploration will result in upgrading them to these categories.
19. CIM definitions and guidelines for mineral resources have been followed.
20. The Qualified Persons are not aware of any known environmental, permitting, legal, title-related, taxation, socio-political or marketing issues, or any other relevant issue, that could materially affect the Mineral Resource Estimate.