

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 7, 2017

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 dated December 7, 2017. The news release was issued in Vancouver, British Columbia through Nasdaq and filed via SEDAR.

Item 4. Summary of Material Change

The Issuer reported the successful expansion of the Bug South gold deposit on its flagship Martiniere Property in Quebec. Drill results were highlighted by an intercept of 10.62 metres grading 4.52 g/t gold, which included 2.14 metres grading 17.58 g/t gold within the Lower Zone, one of the two primary zones which comprise the Bug South deposit. The Bug South and other nearby gold deposits located along the Bug Gold Trend remain open for expansion to depth and will continue to be the focus of the planned winter 2018 drill program.

Item 5. Full Description of Material Change

See News Release dated December 7, 2017.

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 7, 2017.