(An Exploration Stage Company)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

Nine Months Ended September 30, 2019 and 2018

<u>Corporate Head Office</u>

1750-700 West Pender Street
Vancouver, British Columbia
Canada
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NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a) continuous disclosure requirement, if any auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these Condensed Interim Consolidated Financial Statements.

BALMORAL RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

September 30, 2019 and 2018

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BALMORAL RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Notes	September 30, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents		$ 1,364,710	$ 1,299,534
Accounts receivable		13,513	20,004
Input tax credits receivable		144,377	284,112
Refundable tax credit	**10**	1,024,411	1,586,817
Marketable securities	**4**	542,549	425,642
Prepaid expenses		92,424	156,332
		3,181,984	3,772,441
Property, plant and equipment		73,170	85,201
Right-of-use assets	**3**	633,690	-
Exploration and evaluation assets	**5**	68,239,677	66,048,305
		$ 72,128,521	$ 69,905,947
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	**8**	$ 651,607	$ 274,623
Flow-through share premium liability	**9**	-	-
		651,607	274,623
Asset retirement obligation	**5(i)(a)**	100,000	100,000
Lease liabilities	**3**	637,847	-
Deferred income tax liability		10,279,948	9,733,839
		11,669,402	10,108,462
Shareholders' equity			
Capital stock	**6**	83,054,576	81,648,214
Deferred share units	**7**	22,000	-
Share-based compensation reserve		9,705,401	9,450,252
Warrant reserve		67,566	297
Deficit		(32,390,424)	(31,301,278)
		60,459,119	59,797,485
		$ 72,128,521	$ 69,905,947

Approved on behalf of the Directors:

"Bryan Disher" Director — *"Graeme Currie"* Director
Bryan Disher — Graeme Currie

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BALMORAL RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Notes	Three months ended September 30, 2019	Three months ended September 30, 2018	Nine months ended September 30, 2019	Nine months ended September 30, 2018
EXPENSES					
Consulting fees	**8**	$ 40,000	$ 15,000	$ 70,000	$ 56,365
Depreciation	**3**	55,809	3,422	150,163	10,264
Filing and transfer agent's fees		16,802	9,177	110,540	87,912
Office and miscellaneous	**3**	18,195	67,604	59,632	252,483
Professional fees		26,141	64,199	175,018	192,061
Property evaluations		427	32,755	22,365	73,617
Salaries and benefits	**8**	120,290	162,436	455,754	672,359
Share-based compensation	**7, 8**	22,000	239,976	277,149	239,976
Shareholder communication		47,994	34,358	92,072	187,738
Travel and related costs		540	1,322	3,310	28,286
Loss before other items		(348,198)	(630,249)	(1,416,003)	(1,801,061)
Other items					
Interest income (expense)	**3**	(8,288)	18,113	(17,651)	67,847
Gain on sale of marketable securities	**4**	-	71,896	216,692	71,896
Fair value adjustment on marketable securities	**4**	216,743	-	205,594	-
Foreign exchange loss		(7)	(1,284)	(1,060)	(684)
Loss before income taxes		(139,750)	(541,524)	(1,012,428)	(1,662,002)
Deferred income tax recovery (expense)		(320,684)	(59,678)	(76,718)	7,620
Net loss and comprehensive loss for the period		$ (460,434)	$ (601,202)	$ (1,089,146)	$ (1,654,382)
Basic and diluted loss per share		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding		151,045,627	138,530,993	147,466,405	138,517,589

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BALMORAL RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	Number of shares	Capital stock	Deferred share units	Share-based compensation reserve	Warrant reserve	Accumulated other comprehensive income (loss)	Deficit	Total shareholders' equity
Balance, December 31, 2017	**138,510,776**	**$ 81,645,402**	**$ -**	**$ 9,210,276**	**$ 297**	**$ 193,286**	**$ (28,892,871)**	**$ 62,156,390**
Impact of adopting IFRS 9 on January 1, 2018	-	-	-	-	-	(193,286)	193,286	-
Balance, January 1, 2018	**138,510,776**	**81,645,402**	**-**	**9,210,276**	**297**	**-**	**(28,699,585)**	**62,156,390**
Shares issued for property acquisition	60,000	9,000	-	-	-	-	-	9,000
Share issuance costs	-	(6,188)	-	-	-	-	-	(6,188)
Share-based compensation	-	-	-	239,976	-	-	-	239,976
Net loss for the period	-	-	-	-	-	-	(1,475,627)	(1,475,627)
Balance, September 30, 2018	**138,570,776**	**81,648,214**	**-**	**9,450,252**	**297**	**-**	**(30,175,212)**	**60,923,551**
Balance, December 31, 2018	**138,570,776**	**81,648,214**	**-**	**9,450,252**	**297**	**-**	**(31,301,278)**	**59,797,485**
Impact of adopting IFRS 16 on January 1, 2019	-	-	-	-	-	-	17,367	-
Balance, January 1, 2019	**138,570,776**	**81,648,214**	**-**	**9,450,252**	**297**	**-**	**(31,283,911)**	**59,814,852**
Shares issued for cash:								
Private placement (Note 6)	12,431,035	2,131,504	-	-	-	-	-	2,131,504
Allocation of value to flow-through share premium	-	(469,391)	-	-	-	-	-	(469,391)
Allocation of proceeds to warrants	-	(56,896)	-	-	56,896	-	-	-
Shares issued for property acquisition (Note 5 and 6(c))	80,000	17,200	-	-	-	-	-	17,200
Share issuance costs (Note 6)	-	(216,055)	-	-	10,373	-	-	(205,682)
Share-based compensation (Note 7)	-	-	22,000	255,149	-	-	-	277,149
Net loss for the period	-	-	-	-	-	-	(1,106,513)	(1,106,513)
Balance, September 30, 2019	**151,081,811**	**$ 83,054,576**	**$ 22,000**	**$ 9,705,401**	**$ 67,566**	**$ -**	**$ (32,390,424)**	**$ 60,459,119**

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BALMORAL RESOURCES LTD.
(An Exploration Stage Company)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
Nine Months Ended September 30,

	Notes		2019		2018
OPERATING ACTIVITIES					
Net loss for the period		$	(1,089,146)	$	(1,654,382)
Items not affecting cash:					
Depreciation	3		150,163		10,264
Share-based compensation	7		277,149		239,976
Gain on sale of marketable securities			(216,692)		(71,896)
Fair value adjustment on marketable securities			(205,594)		-
Deferred income tax recovery			76,718		(7,620)
Changes in non-cash working capital items:					
Accounts receivable			1,036		1,155
Input tax credits receivable			139,735		(112,631)
Prepaid expenses			63,908		6,512
Accounts payable and accrued liabilities			77,986		(81,112)
Net cash used in operating activities			(724,737)		(1,669,734)
FINANCING ACTIVITIES					
Shares issued for cash	6		2,131,504		-
Share issuance costs	6		(205,682)		(6,188)
Lease liabilities payments	3		(133,975)		-
Net cash provided by financing activities			1,791,847		(6,188)
INVESTING ACTIVITIES					
Investment in, advances to and expenditures on exploration and evaluation assets	5		(1,307,313)		(4,044,159)
Cash received from sale of marketable securities, net of commissions	4		305,379		113,885
Purchase of property, plant and equipment			-		(49,182)
Net cash used in investing activities			(1,001,934)		(3,979,456)
Increase (decrease) in cash and cash equivalents			65,176		(5,655,378)
Cash and cash equivalents, beginning of the period			1,299,534		9,531,239
Cash and cash equivalents, end of the period		$	1,364,710	$	3,875,861
Cash and cash equivalents consist of the following:					
Cash		$	203,357	$	537,848
Term deposits			1,161,353		3,338,013
		$	1,364,710	$	3,875,861
Supplemental cash flow information					
Accounts receivable related to exploration and evaluation assets		$	7,345	$	6,294
Accounts payable related to exploration and evaluation assets		$	514,330	$	640,897
Refundable tax credit for exploration and evaluation assets	10	$	1,024,411	$	(693,590)
Shares issued for property option payments	5	$	12,000	$	9,000
Deferred taxes included in share issue costs		$	-	$	159,368
Agents' warrants issued for finder's fees	6	$	10,373	$	-

The accompanying notes are an integral part of these interim condensed consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Balmoral Resources Ltd. (the "Company" or "Balmoral") is incorporated under the laws of British Columbia, Canada, and is primarily engaged in the acquisition and exploration of mineral properties. The address of its head office is 1750 – 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8. The Company is a publicly-traded company listed on the Toronto Stock Exchange ("TSX") under the symbol "BAR", on the OTCQX market in the United States under the symbol "BALMF" and on the Frankfurt Stock Exchange under the symbol "BOR".

Balmoral is an exploration stage company focused on the acquisition and exploration of gold and base metal properties in Canada. The principal focus of the Company's exploration activities are the properties comprising its Detour Trend Project in Quebec.

The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts capitalized as exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and future profitable production or proceeds from the disposition of the properties.

The Company does not generate cash flows from operations to fund its activities, and therefore relies principally upon the issuance of securities for financing. Future capital requirements will depend on many factors including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Although these condensed interim consolidated financial statements do not include any adjustments that may result from the inability to secure future financing, such a situation would have a material adverse effect on the Company's business, results of operations and financial condition.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These condensed interim consolidated financial statements have been prepared in accordance with *International Financial Reporting Standards* ("IFRS"), as issued by the *International Accounting Standards Board ("IASB"),* applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all information required for a complete set of IFRS statements. However selected notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements as at and for the year ended December 31, 2018.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 1177712 B.C. Ltd. All intercompany balances and transactions have been eliminated upon consolidation.

(c) Significant accounting policies

Except as set out below, the accounting policies, estimates and judgments, methods of computation and presentation applied in these condensed interim consolidated financial statements are consistent with those of the previous financial year. Accordingly, the condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual financial statements.

Leases

The Company has initially adopted *IFRS 16 – Leases*, from January 1, 2019, using the modified retrospective approach. The impact of adopting IFRS 16 is set out in note 3.A number of other new standards are effective from January 1, 2019 but they do not have a material effect on the Company's financial statements.

Share-based compensation

Deferred Share Units

The Company's Deferred Share Unit Plan (the "DSU Plan") became effective during the quarter (note 7). As the DSU Plan is an equity-settled plan, the fair value of all units issued under the DSU Plan are recorded as share-based compensation on the date of grant with a corresponding increase in shareholders' equity and all outstanding DSUs are included in the weighted average number of common shares outstanding during the period when calculating earnings (loss) per share.

(d) Approval of financial statements

The Board of Directors approved these condensed interim consolidated financial statements for issue on November 13, 2019.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS

IFRS 16 – Leases ("IFRS 16")

Effective January 1, 2019, the Company adopted IFRS 16, which specifies how to recognize, measure, present and disclose leases. The standard provides a single accounting model, requiring the recognition of assets and liabilities for all major leases previously classified as "operational leases" under the principles of IAS 17 – *Leases*, and related interpretations.

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS (Continued)

IFRS 16 – Leases (Continued)

(a) The Company's accounting policy under IFRS 16

Definition of a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has elected to apply the practical expedient to grandfather the lease definition for existing contracts on transition. It applied the definition of a lease under IFRS 16 to existing contracts as of January 1, 2019.

The Company has also elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

As a lessee

The Company leases its head office space, based on lease agreement having a fixed duration until January 30, 2023 and a Quebec warehouse space, based on lease agreement having a fixed duration until November 30, 2020.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The ongoing lease liability is measured at amortized cost using the effective interest method. It is measured when there is a change in future lease payments, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS (Continued)

IFRS 16 – Leases (Continued)

(b) Impact of transition to IFRS 16

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. The cumulative effect of initial application is recognized in deficit at January 1, 2019. Comparative amounts for 2018 remain as previously reported under IAS 17 and related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease receivables and/or lease liabilities. Lease receivables and liabilities have been measured by discounting future lease payments at the incremental borrowing rate at January 1, 2019. The incremental borrowing rate applied was 10% per annum and represents the Company's best estimate of the rate of interest that it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment. As of the initial date of application of IFRS 16, the remaining non-cancelable period of the office lease was four years and one month and the warehouse lease was one year and eleven months.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application and leases of low value assets as short-term leases. The lease payments associated with these leases are recognized as expenses on a straight-line basis over the lease term.

The Company has also elected to apply the practical expedient for excluding the initial direct costs for the measurement of right-of-use assets at the date of initial application, as well as for using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The application of IFRS 16 to leases previously classified as operating leases under IAS 17, resulted in the recognition of right-of-use assets and lease liabilities as at January 1, 2019 as summarized in the following table:

	January 1, 2019 prior to adoption of IFRS 16	Adjustments	January 1, 2019 after adoption of IFRS 16
Non-current assets:			
Right-of-use assets	$ -	$ 771,822	$ 771,822
Exploration and evaluation assets	66,048,305	(2,525)	66,045,780
Non-current liabilities			
Lease liabilities	$ -	$ 751,930	$ 751,929
Shareholders' equity			
Deficit	$ (31,301,278)	$ 17,367	$ (31,283,911)

(Expressed in Canadian Dollars)

3. ADOPTION OF NEW ACCOUNTING STANDARDS AND AMENDMENTS (Continued)

IFRS 16 – Leases (Continued)

(c) Impact for the period

The following tables summarizes the impact of adopting IFRS 16 on the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2019:

	September 30, 2019 without adoption of IFRS 16	Adjustments for adoption of IFRS 16	September 30, 2019 as reported
Non-current assets:			
Right-of-use assets	$ -	$ (633,690)	$ 633,690
Exploration and evaluation assets	68,254,827	15,150	68,239,677
Non-current liabilities			
Lease liabilities	$ -	$ (637,847)	$ 637,847
Shareholders' equity			
Deficit	$ (32,363,541)	$ 26,883	$ (32,390,424)
Expenses			
Depreciation	$ (12,031)	$ 138,132	$ (150,163)
Office and miscellaneous expenses	(219,050)	(159,418)	(59,632)
Other items			
Interest income (expense)	$ 30,518	$ 48,169	$ (17,651)
Net loss for the period	$ (1,062,263)	$ 26,883	$ (1,089,146)

The following table presents the right-of-use assets for the Company:

	Office Lease	Warehouse Lease	Total right-of-use assets
Balance, January 1, 2019	**$ 723,617**	**$ 48,205**	**$ 771,822**
Depreciation	(120,602)	(17,530)	(138,132)
Balance, September 30, 2019	$ 603,015	$ 30,675	$ 633,690

4. MARKETABLE SECURITIES

(a) GTA Financecorp Inc. (formerly GTA Resources and Mining Inc.)

As at December 31, 2018 the Company held 2,601,555 common shares of GTA Resources and Mining Inc. with a fair value of $39,024. On January 7, 2019, GTA Resources and Mining Inc. changed its name to GTA Financecorp Inc. ("GTA") and consolidated its shares on a 1-new-for-50-old basis so that the Company then held 52,031 common shares of GTA.

On March 19, 2019, GTA announced that it had closed on the previously announced sale of all of its mining assets to CBLT Inc. ("CBLT") in consideration of the issuance of 21 million Units of CBLT (note 4(d)). The CBLT Units were distributed rateably to the GTA shareholders. The Company received 1,066,068 CBLT Units valued at $0.05 per unit. The carrying value of the GTA shares immediately prior to the distribution was $39,024, and the fair value of the GTA shares and CBLT Units following the distribution were $1,172 and $53,303, respectively, resulting in an unrealized gain from the distribution of $15,451, which was recorded through profit and loss.

On October 21, 2019, GTA announced a definitive merger agreement with GameWorks through a reverse merger transaction (the "RTO") and change of business from resources to gaming exports. In connection with the RTO, it is anticipated that GTA will complete a share consolidation of 10.652831:1 such that GTA will have 3,000,000 common shares issued and outstanding immediately prior to the merger with GameWorks and will complete a name change to Game Works, LTD. As at September 30. 2019 the Company is unable to determine whether the new GameWorks business has any value and therefore the Company impaired the carrying value of the 52,031 common shares of GTA to $nil. The fair value adjustment and impairment on the GTA shares resulted in an unrealized loss of $1,145 and $1,171 for the three months and nine months ended September 30, 2019, which was recorded through profit and loss.

(b) Wallbridge Mining Company Limited

During the six months ended June 30, 2019, the Company sold all 1,056,075 common shares of Wallbridge it held at December 31, 2018 for an average price of $0.29 per share for gross proceeds of $308,369, less commissions of $2,990, and realized a gain of $216,692. The fair value adjustment on these securities was an unrealized loss of $39,959 and $80,285 for the three months and nine months ended September 30, 2019, respectively, which were recorded through profit and loss.

(c) Ely Gold Royalties Inc.

On October 31, 2018, the Company received 1,000,000 common shares and 1,000,000 common share purchase warrants (the "Ely Warrants") of Ely Gold Royalties Inc. ("Ely Gold") with a fair value on that date of $125,000 and $58,954, respectively, as part of the payment under an agreement to sell the Company's 1% NSR royalty on the Fenelon Mine property in Quebec ((Note 5(i)(a)). The Company classified the common shares as fair value through profit or loss. As at September 30, 2019 and December 31, 2018, the Company held 1,000,000 common shares of Ely Gold with a fair value at September 30, 2019 of $320,000 (December 31, 2018 - $145,000). The unrealized gain of $140,000 and $175,000 for the three months and nine months ended September 30, 2019, respectively, were recorded through profit and loss.

4. MARKETABLE SECURITIES (Continued)

(c) Ely Gold Royalties Inc. (Continued)

The Ely Warrants allow the Company to acquire 1,000,000 common shares of Ely Gold at $0.10 per share until April 30, 2020. These Ely Warrants were considered to be derivative investments and were therefore classified as fair value through profit or loss. As at September 30, 2019, the fair value of the Ely Warrants was $222,549 (December 31, 2018 - $72,647). The fair value gain of $127,899 and $149,902 for the three months and nine months ended September 30, 2019, respectively, were recorded through profit and loss.

(d) CBLT

As the result of GTA's sale of its mining assets to CBLT (note 4(a)), on March 18, 2019 the Company received 1,066,068 units of CBLT valued at $0.05 per unit for total fair value of $53,303. Each unit consists of one common share and one common share purchase warrant. The Company classified the units as fair value through profit or loss. As at March 31, 2019 and June 30, 2019 the Company held 1,066,068 units of CBLT with a fair value of $38,003 and $50,011 respectively.

On October 1, 2019, CBLT provided notice of default as a result of failing to file its audited annual financial statements and management discussion and analysis for the year ended May 31, 2019 by the prescribed deadline of September 30, 2019 and as such, the Company believes that its investments in the CBLT units should be impaired as at September 30, 2019 and therefore the Company has written down the carrying value of the CBLT units as at September 30, 2019 to $nil.

The unrealized loss from fair value adjustment and impairment of CBLT units of $50,011 and $53,303 in the three and nine months ended September 30, 2019, respectively, was recorded through profit and loss.

(Expressed in Canadian Dollars)

5. EXPLORATION AND EVALUATION ASSETS

	Fenelon (Note 5(i)(a))	N2 (Note 5(ii)(a))	Martiniere (Note 5(i)(a))	Detour East (Note 5(i)(b))	Grasset (Note 5(i)(c))	Ontario Properties (Note 5(iii))	Others (Note 5(ii)(b) & 5(ii)(c))	Total
Balance, December 31, 2018	$ 2,274,516	$ 1,548,665	$ 37,975,521	$ 5,643,140	$ 15,828,634	$ 616,031	$ 2,161,798	$ 66,048,305
Acquisition costs:								
Cash payments	979	-	-	-	-	30,000	2,284	33,263
Share issuances	-	-	-	-	-	17,200	-	17,200
Total acquisition costs	979	-	-	-	-	47,200	2,284	50,463
Deferred exploration costs:								
Assays	-	-	-	-	-	-	-	-
Claims management	2,024	836	886	887	836	3,343	4,180	12,992
Community Relations	-	-	-	-	-	-	-	-
Drilling	1,428,203	309	77,024	12,705	61,125	2,722	20,935	1,603,023
Engineering	-	-	-	-	-	-	-	-
Geochemistry	-	-	5,275	-	-	-	16,444	21,719
Geology	3,321	4,937	9,600	-	555	988	106,976	126,377
Geophysics	83,104	1,535	891	-	-	213,628	7,785	306,943
Maps and data	6,966	1,176	-	2,353	-	14,429	-	24,924
Project management	1,945	1,081	31,923	1,081	2,550	4,325	5,421	48,326
Property payments	6,125	-	4,437	19,951	13,948	-	16,293	60,754
Total deferred exploration costs	1,531,688	9,874	130,036	36,977	79,014	239,435	178,034	2,205,058
Total expenditures for the period	1,532,667	9,874	130,036	36,977	79,014	286,635	180,318	2,255,521
Cost recoveries	(64,500)	-	-	-	-	-	-	(64,500)
Mining tax credits	13	1	257	39	40	-	1	351
Balance, September 30, 2019	$ 3,742,696	$ 1,558,540	$ 38,105,814	$ 5,680,156	$ 15,907,688	$ 902,666	$ 2,342,117	$ 68,239,677

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(i). Detour Gold Trend Project, Quebec

(a) Fenelon and Martiniere, Quebec

The Company owns 100% interests in each of the Fenelon and Martiniere properties.

There are certain net smelter return ("NSR") royalties on the properties in favour of former property owners and payable on commencement of commercial production: 2% on the majority of the Martiniere property and between 1% and 1.6% for portions of the Fenelon Property, the latter royalties having been reduced as a result of the Company's re-acquisition of a 2% NSR interest pertaining to certain claims within the Fenelon Property (Note 11(a)). Buyout provisions exist for certain portions of these royalties.

On October 10, 2018, the Company sold the 1% NSR royalty it held on the adjacent Fenelon Mine property to Ely Gold in exchange for $500,000 plus 1,000,000 common shares and 1,000,000 common share purchase warrants of Ely Gold (Note 4(c)). In connection with the sale, the Company paid legal fees of $21,026.

The Company recovered $64,500 from Wallbridge for the rental of the camp and storage at Fenelon during the period ended September 30, 2019.

As at September 30, 2019, the Company estimates that the fair value of the asset retirement liability for its potential share of the environmental rehabilitation is $50,000 for the Fenelon camp site and $50,000 for Martiniere (December 31, 2018 - $50,000 for Fenelon and $50,000 for Martiniere). The fair value of the liability was determined to be equal to the estimated reclamation costs which would be the responsibility of the Company. Due to the early stage of the projects, and that extractive activities have not yet begun, the Company is unable to predict with any precision the timing of the cash flow related to the reclamation activities.

(b) Detour East, Quebec

The Company owns a 100% interest in the Detour East Property, except for 18 claims, which are in a 63%/37% participatory joint venture with Encana Corp. and for which the Company is the operator.

There is a NSR royalty of 2%, which relates to the entirety of the property, payable to a former property owner, which may be repurchased at any time for $1,000,000 for the first 50% of the NSR interest and $2,000,000 for the remainder.

(c) Grasset, Quebec

The Company owns a 100% interest in the Grasset Property acquired through staking. The Grasset property is located immediately east of and adjoins the Fenelon Property. There are no underlying royalties on the Grasset Property.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(ii). Other Quebec Properties

(a) N2, Quebec

The Company owns a 100% interest in the N2 property.

There are NSR royalties of 1% to 5% on the property in favour of former property owners and payable on commencement of commercial production. Buyout provisions exist for certain portions of these royalties.

(b) Hwy 810

The Company owns a 100% interest in the Hwy 810 Property, which is located proximal to the producing Casa Berardi gold mine approximately 70 kilometres south of the Detour Gold Trend Project. The property was acquired by staking and there are no royalties or other encumbrances on the property. The Hwy 801 property hosts both gold and base metal targets.

(c) RUM

The Company owns a100% interest in four properties in the Lac Rocher Nickel District in Quebec (the "RUM" properties). The RUM properties cover mafic/ultramafic intrusions of the Lac Rocher suite and are being explored for their nickel-copper-cobalt-PGE potential. The RUM Properties were acquired by staking and thus there are no royalties payable or third party encumbrances.

Also included in Other Quebec Properties are the Harri, Nantel, and Jeremie properties, which were acquired by staking, which the Company owns a 100% interest in and which are all part of the Detour Gold Trend Project.

(iii). Ontario, Properties

(a) Northshore, Ontario

As at September 30, 2019, the Company owns approximately a 44% interest in the Northshore Property along with a similar interest in certain surface rights attached to the property. The Northshore Property mineral rights are underlain by a sliding-scale NSR royalty to a third-party, which is adjusted to the contained number of ounces of gold outlined in a pre-production resource estimate.

On July 24, 2011, the Company and GTA entered into an option agreement (the "Option Agreement") whereby GTA was granted the exclusive right to acquire up to a 70% interest in the Northshore Property.

On July 14, 2014, GTA delivered a first option vesting notice to the Company and subsequently advised the Company that it would not be proceeding with a second option, which had been granted under the terms of the Option Agreement. Consequently a 51%/49% participatory contractual arrangement (joint venture) was formed with respect to the Northshore Property with GTA as the majority holder and project operator.

5. EXPLORATION AND EVALUATION ASSETS (Continued)

(iii). Ontario, Properties (Continued)

(a) Northshore, Ontario (Continued)

In March of 2019 GTA sold its mineral property holdings to CBLT Inc., a Company with the same management as GTA, such that the current property interests are approximately 56% to CBLT and 44% to Balmoral.

(b) Gargoyle, Goblin and Ghost, Ontario

On August 31, 2018, the Company entered into an Option Agreement (the "Gargoyle Agreement") to acquire a 100% interest in the Gargoyle Property in Ontario which it can exercise by making cash and share payments of $140,000 and issuing 390,000 common shares, at its option, as outlined below:

- Within 10 days of the approval of the Gargoyle Agreement by the TSX $20,000 and 60,000 common shares (paid and issued)
- August 31, 2019: $30,000 and 80,000 common shares (paid and issued)
- August 31, 2020: $40,000 and 100,000 common shares
- August 31, 2021: $50,000 and 150,000 common shares

The Company may accelerate the payment schedule. Upon full payment of the cash and shares set out above, the Company will grant a 2% NSR royalty to the vendor, half of which the Company may repurchase at any time for $1,000,000. The Company also has a right of first refusal on the sale of the remaining NSR interest.

During the year ended December 31, 2018, the Company expanded the Gargoyle Property by staking another 697 claims and acquiring two new properties nearby, Goblin and Ghost. Each of the properties was acquired for its nickel-copper-cobalt-PGE potential. Neither the Goblin or Ghost properties are subject to the terms and conditions of the Gargoyle Agreement and thus are 100% owned by the Company and free of royalty interests.

6. CAPITAL STOCK

(a) Common shares

Authorized

An unlimited number of common shares without par value.

6. CAPITAL STOCK (Continued)

(a) Common shares (Continued)

Share issuances

(a) On March 15, 2019, the Company closed the first tranche of its non-brokered private placement and raised gross proceeds of $1,486,404 through the issuance of 7,823,180 flow-through common shares at a price of $0.19 per flow-through common share and gross proceeds of $304,500 from the issuance of 2,174,999 units at a price of $0.14 per unit. Each unit consists of one non-flow-through common share and one-half of one common share purchase warrant. Each full share purchase warrant entitles the holder to purchase one common share at an exercise price of $0.25 until September 16, 2020.

In consideration of the finders' services, the Company paid cash commission of $73,370 and issued 386,158 warrants. Each warrant entitles the finder to purchase one common share of the Company at a price of $0.25 until September 16, 2020. Using the Black-Scholes option pricing model, these warrants had a fair value of $10,373, or $0.027 per warrant. In connection with the financing, the Company paid $80,343 in share issuance costs.

(b) On April 11, 2019, the Company closed the second and final tranche of its non-brokered private placement and raised gross proceeds of $340,560 through the issuance of 2,432,856 units at a price of $0.14 per unit. Each unit consists of one non-flow-through common share and one-half of one common share purchase warrant. Each full share purchase warrant entitles the holder to purchase one common share at an exercise price of $0.25 until October 11, 2020.

In connection with the financing, the Company paid an additional $45,151 in share issuance costs.

(c) On August 13, 2019, the Company issued 80,000 common shares at a fair value of $0.215 per common share pursuant to the Gargoyle Agreement (Note 5(iii)(b)). In connection with the issuance of common shares, the Company paid $6,818 in share issuance costs.

(Expressed in Canadian Dollars)

6. CAPITAL STOCK (Continued)

(b) Warrants

The following common share purchase warrants entitle the holders thereof to purchase one common share for each common share purchase warrant.

	Period ended September 30, 2019		**Year Ended December 31, 2018**	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance, beginning of the period	-	$ -	-	$ -
Issued	2,690,083	$ 0.25	-	$ -
Exercised	-	$ -	-	$ -
Expired	-	$ -	-	$ -
Balance, end of the period	2,690,083	$ 0.25	-	$ -

The weighted average remaining contractual life of warrants outstanding at September 30, 2019 was 1 year.

The Company had outstanding warrants as follows:

	September 30, 2019		**December 31, 2018**	
Expiry date	Exercise price	Number of warrants	Exercise price	Number of warrants
September 16, 2020 (agent warrants)	$ 0.25	386,158	$ -	-
September 16, 2020	$ 0.25	1,087,498	$ -	-
October 11, 2020	$ 0.25	1,216,427	$ -	-
		2,690,083		-

The Company uses the fair value method for determining fair value for all warrants issued during the period. The fair value of warrants was determined using the Black-Scholes option pricing model based on the following assumptions:

For the nine months ended September 30,	**2019**	**2018**
Risk-free interest rate	1.62%	N/A
Expected life of agent warrants and compensation warrants	1.5 years	N/A
Expected annualized volatility	82%	N/A
Expected dividend yield	0.0%	N/A
Forfeiture rate	0.0%	N/A

(Expressed in Canadian Dollars)

7. SHARE-BASED COMPENSATION

(a) Stock options

Stock option transactions are summarized as follows:

	Period ended September 30, 2019		Year Ended December 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the period	10,515,000	$ 0.54	10,331,950	$ 0.74
Granted	4,545,000	$ 0.18	2,805,000	$ 0.18
Expired	(3,572,500)	$ (0.59)	(2,621,950)	$ (0.94)
Balance, end of the period	11,487,500	$ 0.38	10,515,000	$ 0.54

The weighted average remaining contractual life of options outstanding at September 30, 2019 was 3.39 (December 31, 2018 – 2.47) years.

Stock options outstanding and exercisable are as follows:

	September 30, 2019			December 31, 2018		
Expiry date	Exercise price	Options outstanding	Options exercisable	Exercise price	Options outstanding	Options exercisable
January 23, 2019	-	-	-	$ 0.60	2,555,000	2,555,000
February 5, 2019	-	-	-	$ 0.61	300,000	300,000
December 23, 2019	$ 0.90	150,000	150,000	$ 0.90	150,000	150,000
June 18, 2020	$ 0.77	360,000	360,000	$ 0.77	360,000	360,000
March 14, 2021	$ 0.60	1,490,000	1,490,000	$ 0.60	1,760,000	1,760,000
November 7, 2021	$ 0.90	175,000	175,000	$ 0.90	175,000	175,000
December 23, 2021	$ 0.70	350,000	350,000	$ 0.70	350,000	350,000
March 2, 2022	$ 0.78	1,812,500	1,812,500	$ 0.78	2,060,000	2,060,000
September 7, 2023	$ 0.18	2,605,000	2,605,000	$ 0.18	2,805,000	2,805,000
April 12, 2024	$ 0.18	4,545,000	4,545,000	-	-	-
		11,487,500	11,487,500		10,515,000	10,515,000

(b) Deferred share units

On June 21, 2019 the shareholders approved the establishment of the DSU Plan, which became effective on July 26, 2019. Under the DSU Plan, directors who are not employees of the Company or any affiliate may elect to receive some or all their annual cash remuneration in the form of Deferred Share Units ("DSUs"). Each DSU entitles the director to receive payment after the end of the director's term in the form of one common share of the Company therefore the DSU Plan is considered an equity-settled share-based compensation plan.

(Expressed in Canadian Dollars)

7. SHARE-BASED PAYMENTS (Continued)

(b) Deferred share units (Continued)

The non-employee directors have elected to receive all their annual cash compensation for 2019 subsequent to the adoption of the DSU Plan in the form of DSUs. At the end of each quarter the Company issues to the directors the number of DSUs equal to the cash compensation foregone for the quarter calculated using the weighted average trading price of a common share of the Company for the last five trading days on the TSX. The Company recognizes share-based compensation equal to the amount of directors' fees settled in DSUs, and increases shareholders' equity by an equal amount.

The aggregate number of common shares issuable under this DSU Plan is 3,020,036 common shares. Certain insider restrictions and annual dollar limits per Eligible Director exist. Dividends, if any, otherwise payable on the common shares represented by the DSUs are converted into additional DSUs based on the fair market value on date on which any such dividends would be paid.

Share-based compensation for DSUs issued for services provided for August and September 2019, the months following the date the DSU Plan became effective, totalled $22,000.

The following is a summary of the changes in the number of DSUs issued and outstanding for the nine months ended September 30, 2019.

	Period ended September 30, 2019		Year Ended December 31, 2018	
	Number of units	Weighted fair value	Number of units	Weighted fair value
Balance, beginning of the period	-	$ -	-	$ -
Units issued	111,111	$ 0.20	-	$ -
Balance, end of the period	111,111	$ 0.20	-	$ -

(c) Share-based payments

Share-based compensation for stock options grants and DSUs issued for the three and nine months ended September 30, 2019 totalled $22,000 and $277,149, respectively (three months and nine months ended September 30, 2018 - $239,976, and $239,976, respectively). The weighted average fair value of stock options granted in 2019 was estimated at $0.06 (2018 - $0.09) at the grant date using the Black-Scholes option pricing model and the following assumptions:

For the nine months ended September 30,	2019	2018
Risk-free interest rate	1.64%	2.21%
Expected life of options	5 years	5 years
Expected annualized volatility	70%	69%
Expected dividend yield	0.0%	0.0%
Forfeiture rate	0.0%	0.0%
Share price	$0.18	$0.18

Expected volatility is based on historical price volatility over the expected life of the option.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS AND BALANCES

During the nine month periods ended September 30, 2019 and 2018, the Company had the following transactions with related parties:

Key management compensation

Key management consists of senior officers and directors of the Company; their compensation is as follows:

		2019		2018
Short-term benefits (included in consulting fees and salaries and benefits and capitalized to mineral properties)*	$	442,000	$	742,267
Share-based compensation		151,573		153,140
	$	593,573	$	895,407

*Included in the table above are consulting fees of $45,000 (2018 - $52,225) paid to Blue Pegasus Consulting Inc, a company controlled by the CFO.

Transactions with other related parties

As at September 30, 2019, $9,426 (December 31, 2018 - $4,570) is due to officers of the Company for reimbursement of expenses and is included in accounts payable and accrued liabilities. The amount is non-interest-bearing with no fixed terms of repayment.

9. FLOW-THROUGH SHARE PREMIUM LIABILITY

The following is a continuity schedule of the liability portion of the Company's flow-through share issuances:

Balance, December 31, 2017	$	1,074,335
Settlement of flow-through share liability on incurring expenditures		(1,074,335)
Balance, December 31, 2018	$	-
Liability incurred on flow-through shares issued March 15, 2019		469,391
Settlement of flow-through share liability on incurring expenditures		(469,391)
Balance, September 30, 2019	$	-

During the nine month period ended September 30, 2019, the Company incurred $1,486,404 of qualified flow-through funded exploration expenditure, which, subject to audit, fulfilled its commitment under the flow-through share financing on March 15, 2019.

10. SUBSEQUENT EVENTS

(a) On October 23, 2019, the Company completed the re-acquisition of a 2% NSR royalty pertaining to certain claims within the Company's wholly owned Fenelon Property. The NSR royalty was reacquired at no cost to the Company, in exchange for certain intellectually property recently obtained by the Company.

(b) On October 28, 2019, the Company announced that it closed the first tranche of a non-brokered private placement (the "Offering"). Upon closing of the first tranche of the Offering the Company issued 7,173,913 Quebec flow-through common shares (the "Quebec Flow-Through Shares") at a price of $0.23 per Quebec Flow-Through Share for gross proceeds of $1,650,000 and 1,315,790 National flow-through common shares (the "National Flow-Through Shares") at a price of $0.19 per National Flow-Through Share for gross proceeds of $250,000. The Quebec Flow-Through Shares and the National Flow-Through Shares (collectively the "Flow-Through Share Offerings") are subject to a four month and one day hold from the date of closing of the first tranche of the Offering.

(c) On November 8, 2019, the Company announced that it closed the second tranche of the Offering. Upon closing of the second tranche of the Offering, the Company issued 9,361,158 units (the "Units"), at a price of $0.17 per Unit for gross proceeds of $1,591,397, where each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of $0.30 for a period of 18 months from the closing date. The common shares are subject to a four month and one day hold from the date of closing date.

    In consideration of their assistance with the Offering the Company has agreed to pay to certain finders cash fees totalling $171,595 and issue 875,041 common share purchase warrants (the "Finders' Warrants"). Each Finders' Warrant entitles the holder to purchase one common share of the Company at a price of $0.30 for a period of 18 months from the date of closing. Using the Black-Scholes option pricing model, the Finders' Warrants had a fair value of $38,223, or $0.044 per warrant. The Company also paid $20,800 in legal and administration fees upon closing.

(d) On November 12, 2019, the Company received a tax refund of $1,021,729 from Revenu Quebec. The Company had amended its 2017 Quebec income tax return to include eligible exploration expenditures for which it claimed an additional $1,024,411 in exploration tax credits. This amount was included in the refundable tax credit receivable for the period ended September 30, 2019.