

Locked Cycle Flotation Tests Produce Nickel Recoveries of 86.0 to 87.3%, Copper Recoveries of 93.5-94.4% and Palladium Recovery of 89%; Initial Concentrate Grades of 13.4-13.8% Ni, 1.79-1.97% Cu and 10.15 to 10.61 g/t 3E (Au+Pt+Pd) Reported

VANCOUVER, BC--(Marketwired - September 30, 2015) - [Balmoral Resources Ltd.](#) ("Balmoral" or the "Company") (TSX: BAR) (OTCQX: BALMF) today announced the results of initial metallurgical testing conducted on drill core collected from the Company's wholly owned H3 Ni-Cu-PGE Zone located on the Grasset Project in Quebec. Initial testing of samples from two representative areas of the H3 Zone produced excellent nickel, copper and palladium recoveries. Locked cycle flotation tests performed using a simple and conventional flowsheet produced bulk nickel concentrates characterized by good nickel, copper and palladium grades. Based on the initial test work cobalt, platinum and gold also appear to have potential to provide payable credits in the concentrate.

Initial testing also indicates that the tailings produced from the recovery process would likely not be acid generating with pH values in the reducing range at 8.7 to 8.8. Metallurgical testing was performed on behalf of the Company by Blue Coast Research Ltd. of Parksville, British Columbia.

"We could not have asked for much better results from this initial phase of metallurgical testing of the H3 Zone" said Darin Wagner, President and CEO of Balmoral. "The reported nickel, copper and palladium recoveries rank in the upper quartile for producing and development stage nickel assets. On top of that the concentrates produced exhibit good nickel grades with potential for valuable copper, cobalt and precious metal credits and no significant contaminants. Blue Coast has suggested a number of potential paths to further optimize recoveries and concentrate grades as we move forward, but this is a great start."

Metallurgical Testing

Head Assays and Mineralogy

Metallurgical testing was performed on two master composites ("MC-1" and "MC-2") with average nickel head grades of 1.87% and 1.29% nickel respectively (see Table 1). The two samples were selected as being representative of the two principal alteration types within the current outline of the H3 Zone. Both master composites display similar mineralogy with sulphides being comprised of pentlandite, chalcopyrite, pyrrhotite and pyrite. Electron microprobe analysis indicates that between 94% and 96% of the nickel in the master composites is deported to pentlandite. This high deportment to pentlandite is consistent with the Company's observations and the high nickel tenor of the nickel sulphides within the Zone.

Table 1: Master Composite Head Assays

Sample	Ni	Cu	Fe	S	Co	Pt	Pd	Au	Ag
	%	%	%	%	%	g/t	g/t	g/t	g/t
MC-1	1.87	0.25	11.11	4.44	0.04	0.38	0.97	0.42	0.92
MC-2	1.29	0.15	9.38	3.10	0.03	0.26	0.66	0.05	0.44

In addition to the two master composites, twelve additional composites were collected and characterized by chemical assays and QEMSCAN automated mineralogical analysis. Overall, the twelve samples showed similar mineralogical characteristics to the two master composites. Four of the twelve exhibit moderate serpentine alteration similar to MC-1, with the other eight exhibiting lower levels of serpentine alteration, similar to MC-2.

Grindability

Grinding tests indicate the H3 sulphide zone exhibits moderate hardness, which should present no significant issues during milling. The Bond Rod Mill Work Index was recorded at 12.9 kWh/tonne and the Bond Ball Mill Work Index at 11.4 kWh/tonne. These values are toward the lower end of average values reported by currently producing nickel operations. MC-2 required approximately half the time to reach a grind of 80% ("p80") passing 100 µm vs. MC-1 as a result of the lower percentage of serpentine in MC-2. This suggests some variability in hardness within the Zone and additional grinding tests have been recommended by Blue Coast to better understand this variation.

Flotation -- Locked Cycle Test Results

Flotation test work indicated that a simple and conventional rougher and three stage cleaner flowsheet, in conjunction with a primary grind of p80=65 µm, achieved the best combination of nickel recoveries and nickel concentrate grades. Results from locked cycle testing of MC-1 and MC-2, based on these parameters, are shown in Tables 2 and 3 below. The results were consistent between the two composites with slightly higher recoveries and concentrate grades yielded by MC-2. These higher recoveries are likely a result of the slightly coarser pentlandite grain size in MC-2 which resulted in improved primary liberation of pentlandite.

Table 2: Summary of Locked Cycle Tests for Ni, Cu and Fe

Composite Test	ID	Assays (%)			Recovery (%)		
		Ni	Cu	Fe	Ni	Cu	Fe
MC-1	LCT-2	13.4	1.97	27.4	86.0	93.5	30.1
MC-2	LCT-1	13.8	1.79	29.6	87.3	94.4	25.9

Concentrates grading between 13.4 and 13.8% nickel were produced with nickel recoveries ranging between 86.0% and 87.3%. Copper recovery to concentrate was very high averaging 94%. Iron to MgO ratios were 5.9:1 and 6.9:1 respectively for MC-1 and MC-2 representing MgO grades of 3.2% and 3.9% for the two master composites. Minor element scans of the final concentrates did not detect the presence of any significant quantities of penalty elements.

The final locked cycle test concentrates were assayed for gold and PGE's with the results summarized below. Flotation conditions were not specifically optimized for precious metal recoveries as part of this initial testing program. Gold and PGE recoveries were based on a limited dataset of feed and concentrate assays, coupled with mass recoveries from the lock cycle tests, and thus are estimates only and should not be considered as robust as the base metal projections. Rhodium, osmium and iridium assays remain pending.

Table 3: Gold and PGE Content in the Locked Cycle Concentrate

Composite Test	ID	Assays						Recovery %			
		Au g/t	Pt g/t	Pd g/t	Ag g/t	Co %	Au	Pt	Pd	Ag	Co
MC-1	LCT-2	1.88	1.10	7.17	5.00	0.34	54	35	89	83	
MC-2	LCT-1	0.27	1.56	8.78	6.80	0.29	42	49	N/A*	93	84

*- *Inconsistencies in palladium assays meant that palladium recovery could not be adequately determined for MC-2*

Rougher and cleaner flotation tests indicate that the most significant drivers of metallurgical performance are:

- Addition of Soda Ash and CMC (both standard reagents) for talc depression
- Primary grinds of approximately p80 passing 65 µm
- Sufficient cleaner flotation residence time to recover slower floating pentlandite

Recommendations for Further Work

Based on the success of the initial phase of metallurgical testing, Blue Coast has recommended the following additional tests in order to better characterize the metallurgical characteristics of the H3 Zone and optimize recoveries and concentrate grades:

- Variability hardness testing to determine the range of hardness within the Zone
- A further evaluation of the conditions which could increase the final concentrate grade by further depressing pyrite and pyrrhotite during flotation.
- Further evaluation of the cleaner circuit to optimize reagent addition and increase talc depression which could potentially enhance concentrate grades and recoveries
- Conduct additional flotation testing to determine the range of flotation responses and generate head grade/recovery relationships including additional precious metal testing

Quality Control

The technical information disclosed herein was prepared under the supervision of qualified persons Mr. Chris Martin (C. Eng.) and Mr. Andrew Kelly (P.Eng.) of Blue Coast Research Ltd.. Mr. Martin and Mr. Kelly have supervised the metallurgical work reported on and have reviewed and approved the technical disclosure contained in this news release with respect to such work. Mr. Darin Wagner (P.Geo.), President and CEO of the Company, qualified person for the Company supervised the collection of the samples for metallurgical testing, reviewed the progress on the metallurgical testing on multiple occasions and has also reviewed and approved of the technical disclosure contained in this news release.

About Balmoral Resources Ltd. -- www.balmoralresources.com

Balmoral is a Canadian-based discovery company focused on the delineation of high-grade gold and nickel-copper-PGE discoveries on its wholly owned, 700+ square kilometre Detour Trend Project in Quebec, Canada. With a philosophy of creating value through the drill bit and a focus on proven productive precious/base metal belts, Balmoral is following an established formula with a goal of maximizing shareholder value through discovery and definition of high-grade, Canadian base metal and gold assets.

"Darin Wagner"

President and CEO

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements and forward-looking information (collectively, "forward looking statements") within the meaning of applicable Canadian and United States securities laws. All statements, other than statements of historical fact, included herein, including statements regarding the anticipated content, commencement, duration and cost of exploration programs, anticipated exploration program results, the discovery and delineation of mineral deposits/resources/reserves, the relationship between initial and final metallurgical results, the potential for individual metals to provide payable or valuable credits, the representative nature of the samples tested vs. the balance of the mineralized zone and business and financing plans and trends, are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions or are those which, by their nature, refer to future events. Although the Company believes that such statements are reasonable, there can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements. Important factors that could cause actual events and results to differ materially from the Company's expectations include those related to weather, equipment and staff availability; performance of third parties; risks related to the exploration stage of the Company's projects; market fluctuations in prices for securities of exploration stage companies and in commodity prices; and uncertainties about the availability of additional financing; risks related to the Company's ability to identify one or more economic deposits on the properties, and variations in the nature, quality and quantity of any mineral deposits that may be located on the properties; risks related to the Company's ability to obtain any necessary permits, consents or authorizations required for its activities on the properties; and risks related to the Company's ability to produce minerals from the properties successfully or profitably. Trading in the securities of the Company should be considered highly speculative. All of the Company's public disclosure filings may be accessed via www.sedar.com and readers are urged to review these materials, including the latest technical reports filed with respect to the Company's mineral properties.

This press release is not, and is not to be construed in any way as, an offer to buy or sell securities in the United States.

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