THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority ("Official List"). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM Company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in the Schedule Two to the AIM Rules for Nominated Advisers. The London Stock Exchange plc has not itself examined or approved the contents of this document.

DALRADIAN RESOURCES INC.

(*registered under the laws of the province of Ontario, Canada, with Ontario Corporation Number 2201851*)

APPENDIX TO PRE ADMISSION ANNOUNCEMENT

FURTHER INFORMATION ON DALRADIAN RESOURCES INC. IN CONNECTION WITH ITS PROPOSED ADMISSION TO TRADING ON AIM

Nominated Adviser and Broker

Canaccord Genuity Limited

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules for Companies published by the London Stock Exchange for a quoted applicant. It includes, inter alia, all information that is, under these rules, required for an admission document which is not currently publicly available. Information which is public includes, without limitation, all information filed with the Canadian Securities regulatory authority on the system for electronic disclosure and retrieval ("SEDAR")(available at www.sedar.com), filed with the system for electronic disclosure by insiders ("SEDI") (available at www.sedi.ca), and all information available on the Company's website at www.dalradian.com (collectively, the "**Public Record**"). The Public Record can be accessed freely. This Appendix should be read in conjunction with the Schedule 1 Announcement Form made by the Company and the Company's Public Record. This Appendix and the Schedule 1 Announcement Form together constitute the "**Announcement**".

A copy of this Appendix, which is dated 4 November 2014, will be available on the Company Website from 4 November 2014.

Canaccord Genuity Limited ("**Canaccord**"), which is a member of the London Stock Exchange and authorised and regulated by the Financial Conduct Authority, is acting as Nominated Adviser and Broker exclusively for the Company in connection with the proposed arrangements described in the Announcement. Canaccord's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies, are owed to the London Stock Exchange. Canaccord will not be responsible to any other persons for providing protections afforded to customers of Canaccord nor for advising them in relation to the arrangements described in the Announcement.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Common Shares and this document is not for distribution in or into the United States, Japan, Australia, the Republic of South Africa or any other jurisdiction where it is unlawful to do so. The Common Shares have not nor will they be registered under the United States Securities Act of 1933 (as amended)(the "**Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States or under the applicable securities laws of Japan or Australia or the Republic of South Africa and, unless an exemption under such Act or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within the United States, Japan or Australia or the Republic of South Africa for the account or benefit of any national, resident or citizen thereof. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

An investment in the Company may not be suitable for all recipients of this document. Any such investment is speculative and involves a high degree of risk. Prospective investors should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn in particular to the risk factors referred to in paragraph 3 of this document.

This document contains forward looking statements. These statements relate to the Company's future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and phrases, including without limitation, statements containing the words "believe", "anticipated", "expected", "could", "envisage", "estimate", "may or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risk Factors" set out in the Company's latest annual information form and other continuous disclosure documents filed on SEDAR at www.sedar.com. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward looking statements in this document to reflect events or developments except as may be otherwise required by applicable securities laws.

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DEFINITIONS

"Admission"	the admission of the Existing Common Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies;
"AIM"	the market of that name operated by the London Stock Exchange;
"**AIM Rules for Companies**"	the AIM Rules for Companies published by the London Stock Exchange from time to time;
"**AIM Rules for Nominated Advisers**"	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time;
"Announcement"	the announcement pursuant to Schedule 1 of the AIM Rules for Companies to which this Appendix is attached;
"Appendix"	this document;
"**By-Laws**"	the by-laws of the Company at the date of this document;
"Board" or "Directors"	the current directors of the Company whose names are set out on page 4 of this document;
"Business Day"	a day on which the clearing banks in London and Canada are open for business;
"C$" and "$"	Canadian dollars, the lawful currency of Canada;
"Canadian Tax Act"	means the the *Income Tax Act (*Canada);
"Canada -UK Treaty"	means the Canada-United Kingdom Income Tax Convention;
"Canaccord"	Canaccord Genuity Limited;
"CEC"	the Crown Estate Commissioners, a body corporate established under the provisions of the UK Crown Estate Act 1961 with responsibility for the Crown Estate;
"CEC Mining Lease Option Agreements"	has the meaning attributed to it in paragraph 1.3;
"**City Code**"	the City Code on Takeovers and Mergers as amended from time to time;
"Code"	means the Company's Code of Business Conduct and Ethics;
"**Common Shares**"	Common Shares of no par value in the share capital of the Company;
"Company"	Dalradian Resources Inc., a company incorporated under the Ontario Business Corporations Act with registration number 2201851;
"Competent Person"	means Micon International Limited;
"**CRA**"	means the Canada Revenue Agency;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
"**CREST Regulations**"	the Uncertificated Securities Regulations 2001 (SI 2001/3755;
"**Curraghinalt**" or "**Curraghinalt Gold Project"**	the Company's flagship Curraghinalt gold project in Northern Ireland;

"Curraghinalt Gold Deposit"	Curraghinalt gold deposit in Northern Ireland, UK, the subject of the Technical Report;
"Depositary Agreement"	has the meaning attributed to it in paragraph 17.1;
"Depositary Interests"	the dematerialised depositary interests in respect of Common Shares issued or to be issued by the UK Depositary;
"Dalradian"	means the Company, or as context requires, DGL;
"DETI"	The Department of Enterprise, Trade and Investment;
"**DETI Prospecting Licences**"	has the meaning attributed to it in paragraph 1.3;
"**DGL**"	the Company's wholly-owned subsidiary Dalradian Gold Limited (formerly known as Ulster Minerals Limited) incorporated under the laws of Northern Ireland;
"**EIA**"	environmental impact assessment;
"**Euroclear**"	Euroclear UK & Ireland Limited, the operator of CREST;
"Existing Common Shares"	the 140,035,483 Common Shares in issue on the date of this document;
"**FCA**"	the Financial Conduct Authority of the UK;
"**FSMA**"	the Financial Services and Markets Act 2000 as amended from time to time;
"Group"	the Company and its material operating subsidiary DGL;
"gross dividend"	has the meaning attributed to it in paragraph 18.3;
"**HMRC**"	Her Majesty's Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise);
"**Introduction Agreement**"	the agreement dated 3 November 2014 between (1) the Company and (2) Canaccord, details of which are set out in paragraph 20.1.2 of this Appendix;
"London Stock Exchange"	London Stock Exchange plc;
"**Micon**"	Means Micon International Limited;
"NIEA"	Northern Ireland Environmental Agency;
"NI 43-101"	National Instrument 43-101 - Standards of Disclosure for Mineral Projects;
"NI 58-101"	means National Instrument 58-101 - *Disclosure of Corporate Governance Practices;*
"**Nomad and Broker Agreement**"	the agreement dated 3 November 2014 between (1) the Company and (2) Canaccord, details of which are set out in paragraph 20.1 of this Appendix;
"Non-Canadian Holder"	has the meaning attributed to it in paragraph 19.1;
"Nobo"	has the meaning attributed to it in paragraph 10.5.3;
"Northern Ireland Properties"	an approximate 84,000-hectare area in which the Company holds certain rights, consisting of four contiguous areas located in counties Tyrone and Londonderry, Northern Ireland, United Kingdom;
"**NP 58-201**"	means National Policy 58-201 - *Corporate Governance Guidelines*;

"OBCA"	Ontario Business Corporation Act 1990, as amended from time to time;
"Obo"	has the meaning attributed to it in paragraph 10.5.3;
"Proposed Amendments"	has the meaning attributed to it in paragraph 19.1;
"PFS"	the pre-feasibility study referred to in paragraph 1.6;
"**PSNI**"	Police Service of Northern Ireland;
"**Regulations** "	has the meaning attributed to it in paragraph 19.1;
"**SDRT**"	means the UK Stamp Duty and Stamp Duty Reserve Tax;
"Securities Commission"	the securities commission or other securities regulatory authority of the applicable jurisdiction or jurisdictions in Canada collectively;
"Securities Laws"	securities legislation and regulations of, and the instruments policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the TSX) of, the applicable jurisdiction or jurisdictions in Canada collectively;
"Shareholders"	the holders of Common Shares from time to time;
"Surface Works Contract"	has the meaning attributed to it in paragraph 20.0.5;
"Technical Report"	has the meaning attributed to it in paragraph 2.1;
"TSX"	the Toronto Stock Exchange;
"TSX Company Manual"	the requirements set out by the TSX relating to listed companies referred to in paragraph 7 of this Appendix.
"UK" or **"United Kingdom"**	the United Kingdom of Great Britain and Northern Ireland;
"UK Depositary"	Computershare Investor Services PLC;
"uncertificated" or in "**uncertificated form**"	recorded on the relevant register of the uncertificated share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
"Underground Exploration Development Agreement"	has the meaning attributed to it in paragraph 20.0.6;
"Underground Program"	the underground exploration and bulk sampling programme at Curraghinalt; and
"£"	UK Pounds Sterling, the lawful currency of the United Kingdom.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Thomas John Obradovich *Chairman* Patrick Fergus Neill Anderson *Chief Executive Officer* Ronald Peter Gagel *Chair, Audit Committee* Sean Evan Otto Roosen *Audit Committee* Ari Benjamin Sussman *Corporate Governance and Compensation Committee* Jonathan Arn Rubenstein *Chair, Corporate Governance and Compensation Committee* David Grenville Thomas *Chair, Safety, Health and Environmental Affairs Committee*
Company Secretary	Keith McKay
Registered Office and trading address	155 Wellington Street West Suite 2920 Toronto, ON M5V 3H1 Canada
Company Website	www.dalradian.com
Nominated Adviser and Broker	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR United Kingdom
English Solicitors to the Company	Stikeman Elliott (London) LLP Dauntsey House 4B Frederick's Place London EC2R 8AB United Kingdom
Canadian Solicitors to the Company	Cassels Brock & Blackwell LLP Suite 2100, Scotia Plaza 40 King Street West Toronto, ON M5H 3C2 Canada
Northern Ireland Solicitors to the Company	Carson McDowell LLP Murray House Murray Street Belfast BT1 6DN Northern Ireland
UK Solicitors to Canaccord	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD

	United Kingdom
Auditors	KPMG LLP 333 Bay Street Bay Adelaide Centre Toronto Ontario M5H 2S5
Competent Person	Micon International Limited Suite 900 - 390 Bay Street Toronto, ON, M5H 2V2 Canada
Financial Public Relations	RLM Finsbury Tenter House 45 Moorfields London EC2Y 9AE
Northern Ireland Public Relations	**MCE Public Relations** Victoria St Belfast Antrim BT1 4PB Northern Ireland

EXPECTED TIMETABLE

All references to time in this document and in the expected timetable are to the time in London, United Kingdom, unless otherwise stated. Each of the times and dates in the table below are indicative only and may be subject to change.

Publication of this Announcement	4 November 2014
Admission effective	3 December 2014

SHARE CAPITAL

Issued Share Capital at Admission (*assuming no warrants or options are exercised in the period up to Admission*)	140,050,483 Common Shares
AIM Symbol	DALR
TSX Symbol	DNA
ISIN Code	CA2354991002
SEDOL Number	BRS65L4

1. INTRODUCTION

The Company

1.1. Dalradian Resources Inc. (the "**Company**") is a Canadian incorporated and TSX listed exploration and development company. The Company has one wholly-owned material subsidiary, Dalradian Gold Limited ("**DGL**") (formerly Ulster Minerals Limited) incorporated under the laws of Northern Ireland, which holds the Northern Ireland Properties on which the Curraghinalt Gold Project is located.

1.2. The Company was incorporated on March 27, 2009, under the name "SA Resources Inc." pursuant to the provisions of the Business Corporations Act (Ontario) (the "**OBCA**"). On October 30, 2009, the Company filed articles of amendment to remove private company restrictions and to add a description of the rights and privileges attaching to the Common Shares. On April 28, 2010, the Company filed further articles of amendment to change its name to "Dalradian Resources Inc.", remove the share transfer restrictions contained in the Company's articles and add a standard OBCA provision respecting the borrowing, pledging, mortgaging and other powers of the directors. The Company's registered address and head office is located at 155 Wellington Street West, Suite 2920, Toronto, Ontario, M5V 3H1.

The Curraghinalt Gold Project

1.3. The Company's flagship property is in Northern Ireland around the high-grade lode gold deposit ("**Curraghinalt Gold Project**"). Dalradian, through its wholly owned subsidiary, DGL, holds 100% interest in prospecting licences and options relating to approximately 84,000 hectares, consisting of four contiguous licence areas (such areas being referred to as "**DG1**", "**DG2**", "**DG3**" and "**DG4**" respectively), located in counties Tyrone and Londonderry, Northern Ireland, United Kingdom. There are two elements comprising this interest: (i) DETI has granted to DGL prospecting licences for base metals, (the "**DETI Prospecting Licences**") covering these four contiguous areas; and (ii) CEC has entered into option agreements for mining leases with DGL, (the "**CEC Mining Lease Option Agreements**"), for gold and silver, covering the same four areas. Dalradian does not hold any other relevant licences, options or titles.

1.4. The DETI Prospecting Licences for DG1 and DG2 were issued in 2013 and run from January 1, 2014 to December 31, 2015. Upon expiry of this initial term, they are eligible for up to two, two year extensions. The DETI Prospecting Licences for DG3 and DG4 were granted their first two-year extension in 2013 and run from April 24, 2013 to April 23, 2015, and upon expiry they are eligible for an additional two year extension, subject to having complied with the relevant licence. A DETI Prospecting Licence cannot be extended beyond six years from the date of grant. However, at the end of the second two year extension of a DETI Prospecting Licence, DGL may apply for a new DETI Prospecting Licence over the same area. Applications for new DETI Prospecting Licences for DG1 and DG2 will be required in 2019 and for DG3 and DG4 in 2016. The current terms of the CEC Mining Lease Option Agreements for DG1 and DG2 expire December 31, 2015. The current terms of the CEC Mining Lease Option Agreements for DG3 and DG4 expire April 23, 2015. Upon expiry of the term or renewal period of a CEC Mining Lease Option Agreement, an indefinite number of renewals is available at the CEC's discretion. Each renewal is for a term of two years. The approximately 84,000-hectare area covered by the DETI Prospecting Licences and the CEC Mining Lease Option Agreements is collectively known as the "**Northern Ireland Properties**". There are several known historical occurrences of precious and base metals mineralization throughout the Northern Ireland Properties, with new discoveries having been made and drilled by the Company up to 2012. Although the Northern Ireland Properties are still highly prospective for further discoveries, Dalradian has now directed all of its focus on advancing the Curraghinalt Gold Project in the DG1 area.

Competent Person Report

1.5. On November 3, 2014, the Company filed the Technical Report prepared in accordance with National Instrument 43-101 ("**NI 43-101**"), which demonstrated positive economics for an underground mine producing 194,000 ounces of gold per year on average for the first five years and an average of 149,000 ounces of gold over the remainder of the 18-year mine life. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Key highlights from the results are highlighted in the table below:

KEY PEA DATA*	GOLD PRICE: $1,200/ounce
NPV with 8% discount rate (After-tax)	$504 million
IRR (After-tax)	36.2%
Average Annual Production	162,000 ounces/year
Processing Rate	1,700 tonnes/day
Life of Mine	18 years
Initial Capex ($48M contingency)	$249 million
Cash Costs	$485/ounce
Diluted Grade	9.3 g/t Au
Gold Recovery	92%
Payback	2.6 years

* *Prepared by Micon. All dollar amounts in the above table are quoted in US$. The Technical Report is preliminary in nature, and is based on the January 20, 2014 mineral resource estimate. It includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the results of the Technical Report will be realized.*

The Company announced on October 23, 2013 the results of additional metallurgical testing from the Curraghinalt deposit. The laboratory testing, using a sequential gravity-flotation circuit, demonstrated overall gold recoveries of 99.4%, with 29.4% of the gold reporting to the gravity circuit, and 70.0% reporting to a bulk rougher concentrate. The Company believes these results demonstrate a potential alternative processing method, with higher overall recoveries, compared to the whole-ore cyanidation process used as the base-case scenario in the Technical Report, which yielded a 92% recovery. A further benefit of a combined gravity-flotation circuit is that the tailings would have a low sulphide content and would not have been in contact with cyanide at any stage, which the Company believes is likely to be beneficial in terms of permitting an eventual mine at Curraghinalt. For full technical details regarding the Curraghinalt Gold Project, reference should be made to the complete text of the Technical Report which is available on the Company Website and on SEDAR at www.sedar.com.

1.6. The Company has commenced a work program that is expected to be completed by the end of 2015 with a fully-funded budget of approximately C$30 million and the goal of completing the pre-feasibility study ("**PFS**") and having the environmental impact assessment ("**EIA**") well-advanced, both of which will support a planning application for construction of an operating mine at Curraghinalt. Components of the program include the underground exploration program ("**Underground Program**"), which incorporates approximately 20,000 metres of underground drilling, a PFS and an EIA. For the Underground Program, Dalradian

has received a draft of its temporary explosives storage licence and a full licence is expected to be issued once the explosives magazine is constructed and inspected. The Company began work on-site in September 2014, following award of the contract for surface works to Northern Ireland firm, FP McCann. On 2 October 2014 the Company announced the appointment of Irish mining services firm, QME Limited, as underground contractor. The value of the two contracts is approximately $2.3 million and $7.5 million respectively. The Underground Program will extend the exploration tunnel by approximately 1,200 metres in order to access, define, sample and test the mineralized material from the Curraghinalt deposit. Approximately 10 underground drill bays will be added to the development to support an underground drilling program of approximately 20,000 metres, with the objective of upgrading resource ounces from inferred to measured and indicated categories. The Underground Program is designed to: (i) demonstrate continuity of thickness and grade of the mineralized veins; (ii) increase confidence in the existing mineral resources; (iii) evaluate the technical and economic feasibility of various mining methods; (iv) assess underground geotechnical and hydro-geological conditions; and (v) produce samples for offsite metallurgical testing. The Underground Program is expected to cost approximately $23 million plus an additional $4 to 5 million for underground drilling and is expected to be completed within the next 12 to 18 months. Approximately $23 million of the net proceeds from the Company's 2014 financings will be applied to finance the Underground Program. Surface work is expected to be completed in the first 3 to 4 months, with exploration tunneling, including construction of drill bays beginning thereafter and continuing for 9 to 12 months. The latter 6 to 8 months will include underground drilling, hydrogeology and geotechnical studies and metallurgical testing. The mineralized material will be trucked to a nearby port facility, with samples shipped offsite for processing and testing. For further information on the business of the Company, see "General Development of the Business" and "Description of the Business" in the Company's Annual Information Form for the year ended December 31, 2013, dated March 25, 2014, and "Description of the Business" in the Company's Management Discussion and Analysis for the three and nine months ended September 30, 2014.

1.7. The Company's strategy following Admission is to continue de-risking and progressing the Curraghinalt Gold Project by completing the Underground Program, underground drilling, PFS and EIA submission, all toward the goal of building Northern Ireland's first underground gold mine.

1.8. The Company has not paid a dividend and the Directors anticipate that the Company will be focused on advancing the Curraghinalt Gold Project during the 12 month period following Admission. Accordingly, the Company does not expect to declare any dividends during that period. Thereafter, it is the Directors' intention to pay dividends when profit, available cash flow and capital requirements allow and in accordance with the Company's strategy for growth. However, the Directors can give no assurance as to the payment of future dividends.

2. COMPETENT PERSON'S REPORT

2.1. A technical report prepared in accordance with NI 43-101 dated October 30, 2014 (the "**Technical Report**") entitled "An Updated Preliminary Economic Assessment of the Curraghinalt Gold Deposit, Tyrone Project, Northern Ireland" prepared by Micon International Limited ("**Micon**"), and in particular Mr. Barnard Foo, P.Eng., Richard Gowans, P.Eng., Mr. Andre Villeneuve, P.Eng., and Mr. Christopher Jacobs, CEng MIMMM, of Micon and Mr. Maunula, P.Geo., of T. Maunula & Associates Consulting Inc., which is available on the Company Website and on SEDAR at www.sedar.com.

2.2. The Competent Person whose name and address is set out at page 5 of this document, accepts responsibility for the information contained in the Technical Report and has reviewed and approved of the technical information contained in this Appendix. To the best of the knowledge and belief of the Competent Person (who has taken all reasonable care to ensure

that such is the case) the information contained in the Technical Report is in accordance with the facts, and does not omit anything likely to affect the import of such information.

2.3. The Company's technical report dated May 30, 2014 and titled "Curraghinalt Gold Deposit, Northern Ireland, Mineral Resource Estimate Update, NI 43-101 Technical Report" has not been used as it has been superseded in its entirety by the Technical Report, however its conclusions are available under the Company's profile on SEDAR at www.sedar.com.

3. RISK FACTORS

3.1. An investment in the Company is highly speculative and involves a high measure of risk. An investment in the Company is, therefore, suitable only for financially sophisticated investors who are capable of evaluating the risks and merits of such an investment. There are a number of risks which may have a material and adverse impact on the future operating and financial performance of the Company and the value of the Company's Common Shares which are set out in the Public Record. If such risks materialize an investor in the Common Shares could lose all or part of his or her investment. These include risks that are general risks associated with any form of business and, in addition, specific risks associated with the Company's business and its involvement in exploration, development and production in Northern Ireland. While most risk factors are largely beyond the control of the Company and its Directors, the Company will seek to mitigate these risks where possible.

3.2. The following discussion summarizes the principal risk factors that apply to the Company's business and that may have a material adverse effect on the Company's business, financial condition and results of operations, or the trading price of the Company's Common Shares. Further risks are identified by the Competent Person in the Technical Report.

3.2.1. **Limited Operating History**: The Company has a very limited history of operations, and is in the early stage of development. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Company has no history of earnings.

3.2.2. **Negative Operating Cash Flow:** The Company has limited financial resources, has earned nominal interest income since commencing operations and has no source of operating cash flow. During the fiscal year ended December 31, 2013 and the nine-month period ended September 30, 2014, the Company had negative cash flow from operating activities. The Company's cash and cash equivalents as at December 31, 2013 was approximately $6.9 million, and as at September 30, 2014 was approximately $37.0 million. From December 31, 2013 to September 30, 2014, the Company has had an average monthly cash expenditure rate of approximately $0.8 million per month, and expects such rate to increase in immediate future periods as it continues to progress the exploration and evaluation activities at Curraghinalt. The Company anticipates it will continue to have negative cash flow from operating activities in future periods until commercial production is achieved at its resource properties. There is no assurance that additional funding will be available to the Company for exploration and development. Furthermore, additional financing, whether through the issuance of securities or debt, will be required to continue the development of the Company's properties even if the Company's exploration programs are successful. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of the Company's properties.

3.2.3. **Uncertainty of Additional Funding**: The Company's activities do have scope for flexibility in terms of the amount and timing of expenditure, and expenditures may be adjusted accordingly. Further operations will require additional capital and will depend on the Company's ability to obtain financing through debt, equity, or other means. The Company believes that it has sufficient funds to complete the Underground Program however there may be factors that result in the Company's need to raise additional funds. The Company's ability to meet its obligations and maintain operations is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds to date, there is no assurance that the Company will be successful in obtaining the required financing in the future or that such financing will be available on terms acceptable to the Company. In addition, any future financing may also be dilutive to existing shareholders of the Company.

3.2.4. **Uncertainty of Acquiring or Extending Necessary Licences, Permits, and Access Rights in Northern Ireland**: Although Dalradian currently holds, or has applied for, the necessary licences and permits it requires in order to carry out its presently planned course of exploration, evaluation and development, Dalradian has no assurance that it will receive or be able to extend any permits, including environmental, drilling and surface rights permits, that may be required in the future to carry out further exploration, evaluation, development and production activities on its properties, or obtain them in a timely manner. The failure to obtain, extend or renew such permits could adversely affect Dalradian's operations and consequently the value of the securities of Dalradian. The grant of DETI and CEC base and precious metal mineral exploration rights in Northern Ireland does not automatically confer upon the licencee rights of access to the licenced areas and the Company is required to secure access agreements with the relevant landowners. While Dalradian considers that it currently has sufficient agreements in place to access Curraghinalt, further access agreements will need to be entered into with additional landowners for Dalradian to carry out further proposed work programs in the relevant areas extending beyond Curraghinalt. There is no assurance that Dalradian will be able to obtain the cooperation of other landowners or successfully negotiate access agreements on terms that are favourable to Dalradian. In the event that future access agreements cannot be secured as necessary in a timely manner or at all, Dalradian's ability to pursue further exploration, evaluation and development work in accordance with its intended work program at Curraghinalt may be adversely affected.

3.2.5. **Risks and Hazards Inherent in the Mining Industry**: The Company's operations are and will continue to be subject to all of the hazards and risks normally incidental to exploring, evaluating, developing and exploiting natural resources. Some of these risks include, but are not limited to, environmental hazards, industrial accidents, labour disputes, unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, unanticipated ground or water conditions, cave-ins, flooding, rock bursts, periodic interruptions due to bad or hazardous weather conditions and other acts of nature, and unfavourable operating conditions. There are also physical risks to the personnel working in the terrain of Northern Ireland, often in varying climate conditions. Should any of these risks and hazards adversely affect the Company's operations or activities, it may cause an increase in the cost of operations to the point where it is no longer economically feasible to continue, it may require the Company to write down the carrying value of one or more mines or a property, it may cause delays or a stoppage in mineral exploration or development, it may result in damage to or destruction of mineral properties, and may result in personal injury or death or legal liability, all of which may have a material adverse effect on the Company's

financial condition, results of operation, and future cash flows and could have an adverse effect on the value of the securities of the Company.

3.2.6. **Undemonstrated Economic Feasibility of Curraghinalt**: The preliminary economic assessment contained in the Technical Report is preliminary in nature, includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment contained in the Technical Report will be realized. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The mineral resource estimate upon which the preliminary economic assessment is based is an early stage estimate that does not have sufficient certainty to constitute a prefeasibility study or a feasibility study. The Company has not completed pre-feasibility or feasibility level work and analysis that would allow it to declare proven or probable mineral reserves at Curraghinalt, and no assurance can be given that it will ever be in a position to declare a proven or probable mineral reserve at Curraghinalt. In particular, the preliminary economic assessment contained in the Technical Report contains estimated capital costs and operating costs which are based upon anticipated tonnage and grades of metal to be mined and processed, the expected recovery rates and other factors, none of which has been completed to date to a pre-feasibility study or a feasibility study level. Whether the Company completes a feasibility study on Curraghinalt, and thereby delineates proven or probable mineral reserves, depends on a number of factors, including: (i) the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure); (ii) metal prices, which are highly cyclical; (iii) government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and (iv) environmental protection considerations. The Company cannot determine at this time whether any of its estimates will ultimately be correct or that Curraghinalt will prove to be economically viable. Therefore, it is possible that mineral reserves will never be identified at Curraghinalt, which would inhibit the Company's ability to develop Curraghinalt into a commercial mining operation, and, in turn, would have a material adverse effect on its results of operations and financial condition.

3.2.7. **Uncertainty of Mineral Resource Estimates**: There are numerous uncertainties inherent in estimating mineral resources and mineral reserves and the future cash flows that might be derived from their production. Accordingly, the figures for mineral resources contained in the Company's public record are estimates only. The estimation of mineralization is a subjective process and the accuracy of estimates is a function of quantity and quality of available data, the accuracy of statistical computations, and the assumptions and judgments made in interpreting engineering and geological information. In respect of mineral resource estimates, no assurance can be given that the anticipated tonnage and grades will be achieved, that the indicated level of recovery will be realized or that mineral resources will be upgraded to mineral reserve categories or mined or processed profitably. In addition, in respect of future cash flows, actual cash flows may differ materially from estimates. Estimates of mineral resources, and future cash flows to be derived from the production of such mineral resources necessarily depend upon a number of variable factors and assumptions, including, among others, geological and mining conditions that may not be fully identified by available exploration data or that may differ from experience in current operations, historical production from the area compared with production from other producing areas, the assumed effects of regulation by governmental agencies and assumptions concerning metal prices, exchange rates, interest rates, inflation, operating costs, development and maintenance costs, reclamation costs and the availability and cost of labour, equipment, raw materials and other services required to mine and refine the ore. Estimates may have to be

recalculated based on changes in mineral prices or further exploration or development activity. This could materially and adversely affect estimates of the volume or grade of mineralization, estimated recovery rates or other important factors that influence estimates. Market price fluctuations for minerals, increased production costs or reduced recovery rates, or other factors can adversely affect the economic viability of a project. There can be no assurance that mineral recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. For these reasons, estimates of the Company's mineral resources in the Company's public record, including classifications thereof based on probability of recovery, and any estimates of future cash flows expected from the production of those mineral resources may vary substantially. The actual volume and grade of mineral resources mined and processed and the actual cash flows derived from that production, may not be as currently anticipated in such estimates. If the Company's actual mineral resources or cash flows are less than its estimates, the Company's results of operations and financial condition may be materially impaired and therefore adversely affect the value of the securities of the Company.

3.2.8. **Uncertainty of Inferred Mineral Resources**: Inferred mineral resources do not have demonstrated economic viability and are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. The estimates of mineral resources contained in the Company's public record contain estimates of inferred mineral resources. Due to the uncertainty that may attach to inferred mineral resources, there is no assurance that the estimated tonnage and grades as stated will be achieved or that they will be upgraded to measured and indicated mineral resources or proven and probable mineral reserves as a result of continued exploration.

3.2.9. **Risks Relating to Government Regulation**: Dalradian's mining operations and properties are subject to various laws and regulations, including those of the European Union and the UK, governing mineral concession acquisition, mine development and prospecting, mining, production, occupational health and safety, labour standards, employment, waste disposal, toxic substances, land use, environmental protection, use of water, exports, taxes and other matters. It is possible that Dalradian may not be able to comply with existing and future laws and regulations. In addition, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes to the terms of Dalradian's permits and agreements, which could have a material adverse impact on Dalradian's current operations and future development projects. Dalradian may experience increased costs and delays in production as a result of the need to comply with applicable laws, regulations and permits. Permits are subject to the discretion of government authorities and there is no assurance that Dalradian will be able to obtain all required permits on reasonable terms or on a timely basis. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in enforcement actions thereunder including the loss of Dalradian's mining licences, orders issued by regulatory or judicial authorities requiring operations to cease or be curtailed, fines, penalties or other liabilities. Dalradian may be required to compensate those suffering loss or damage by reason of its mining operations and may have civil or criminal fines or penalties imposed for violations of such laws, regulations and permits.

3.2.10. **Risks Associated with Northern Irish Operations**: The Company's material property is located in Northern Ireland and accordingly, the Company is subject to risks normally associated with the exploration and development of mineral properties in Northern Ireland. Dalradian's operations may be affected in varying degrees by political change and changes in government regulations relating to foreign

investment and the mining industry. Operations may also be affected in varying degrees by possible political and labour unrest, fluctuations in currency exchange rates and high inflation. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and environmental legislation and safety. Any such changes (including new or modified taxes or other governmental levies and new legislation) could have a material adverse effect on Dalradian's results of operations and financial condition. Dalradian cannot predict the government's position on foreign investment, mining concessions, land tenure, environmental regulation or taxation. A change in government positions on these issues could adversely affect the Dalradian's business and/or its holdings, assets and operations. Any changes in regulations or shifts in political conditions are beyond the Dalradian's control and there is no assurance that current and future mineral operations will not be adversely affected by political, social or economic changes.

3.2.11. **Planning and Environmental Risks and Liabilities**: Dalradian's current and future operations in Northern Ireland, including exploration, evaluation, development, extraction and production activities, are subject to environmental regulations promulgated by the Northern Ireland government and other agencies from time to time. Dalradian is subject to potential risks and unanticipated liabilities associated with its activities, including negative impacts to the environment from operations, waste management and site discharges. Previous operations may have caused environmental damage at certain of Dalradian's properties. It may be difficult or impossible to assess the extent to which such damage was caused by Dalradian or by the activities of previous operators, in which case, any indemnities and exemptions from liability may be ineffective and Dalradian may be responsible for the costs of reclamation. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. Dalradian is subject to several key environmental legal requirements in Northern Ireland relating to, among other things, hazardous substances, restoration obligations, discharge of waste water and other effluents from operations, waste management, transportation and storage, and there is no assurance that Dalradian will not fail in complying with such requirements, whether inadvertently or not. Although Dalradian monitors closely changes in local legislation and works closely and transparently with local government agencies responsible for permitting its activities, there is no assurance that future changes in environmental regulation, if any, will not adversely affect operations at Dalradian's Northern Ireland Properties. Environmental hazards may exist on the relevant properties that are unknown to Dalradian at present. The following is a summary of key environmental legislation requirements in Northern Ireland:

(a) The Planning (General Development) Order (Northern Ireland) 1993, and the Borehole Sites and Operations Regulations (Northern Ireland) 1995 stipulate that DGL notify the Department of Environment (Planning NI) and the Health & Safety Executive Northern Ireland about borehole locations. Consistent with this legislation, Dalradian notifies the relevant agencies, including Health & Safety Executive Northern Ireland, the Geological Survey of Northern Ireland and DETI, about its surface exploration programme, within the stipulated time frames.

(b) The Planning (General Development) Order (Northern Ireland) 1993 stipulates that boreholes sites must be restored within 28 days of work on those sites being completed. Since 2010, Dalradian has drilled approximately at 140 boreholes sites, of which approximately 97% have been successfully

restored. Dalradian has a plan for restoring the remaining 3% of the active borehole sites, pending agreement with the respective landowners. The cost for restoring the remaining sites is estimated to be £12,500 approximately.

(c) Pursuant to The Water (Northern Ireland) Order 1999, Dalradian is required to obtain consents to discharge site drainage from the existing exploration tunnel, from its surface drilling operations, and from the proposed Underground Program. A discharge consent was received on February 6, 2014 from the Water Management Unit of the NIEA covering discharge from the Underground Program, including site drainage and drainage from the underground workings. A trade effluent agreement from Northern Ireland Water to discharge drilling wastewater to a licenced wastewater treatment facility was formally obtained on February 25, 2013. Before February 25, 2013, Dalradian used a licenced waste carrier to collect and transport drill wastewater to a licenced wastewater treatment facility in Belfast. Dalradian also received another trade effluent agreement on the 24th of May 2013 to discharge waste water associated with the sampling of core to the public sewer system in Omagh.

(d) The Water Abstraction and Impoundment (Licensing) Regulations (Northern Ireland) 2006 stipulates that Dalradian must obtain a licence to abstract water for its surface drilling operations. Dalradian has a water abstraction licence, which allows it to abstract up to 40 cubic metres of surface water per abstraction point per day; there are 68 NIEA approved abstraction points.

(e) Dalradian has obtained formal waste management exemptions, pursuant to Paragraph 40 of the Waste Management Licensing Regulations (Northern Ireland) 2003 that will continue to allow it to temporarily store waste, including soil cutting (if necessary), on approved storage locations.

(f) Dalradian has also obtained a waste carriers licence under the Controlled Waste (Registration of Carriers and Seizures of Vehicles) Regulations (Northern Ireland) 1999 as amended. Under normal business activities Dalradian may carry small amounts of waste between sites for its storage at a central location under Paragraph 40 of the Waste Management Licensing Regulations (Northern Ireland) 2003 prior to its removal off site.

(g) The Planning (Northern Ireland) Order 1991 (Article 53) requires hazardous substance consent to be obtained for the presence on, over or under land of a hazardous substance in an amount at or above a specified controlled quantity; Dalradian currently does not handle substances subject to Article 53 of The Planning (Northern Ireland) Order 1991.

(h) On January 23, 2014, Dalradian received planning permission, subject to certain terms and conditions, under the Planning (Northern Ireland) Order 1991 (Article 25), to extend the existing exploration tunnel by up to 2,000 m and extract a bulk sample of the mineralized material. The application for planning permission was originally submitted on February 18, 2013, following an extensive pre-consultation process, which included meetings with employees, the community, Department of Environment (Planning NI, and various units of the NIEA), the Loughs Agency, DETI and CEC.

To the extent that Dalradian is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts would reduce funds otherwise available for operations. If Dalradian is unable to remedy an environmental problem fully, it may be required to suspend operations or enter into

interim compliance measures pending completion of the required remedy. The potential financial exposure may be significant. Dalradian does not currently carry insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production). In relation to planning permission issues, future work programs in Northern Ireland may constitute development, which would require planning permission and compliance with Part 16 of the Planning (General Development) Order (Northern Ireland) 1993 and may also be subject to the Planning (Environmental Impact Assessment) Regulations (Northern Ireland) 1999. Depending on the scale of the development, any such applications could result in a public inquiry and the obtaining of the required consent could take a significant period of time. There is no assurance that Dalradian will be able to obtain such consent in a timely manner or at all. There are a number of possible constraints to mine development, and Dalradian will need to carry out detailed assessments of all proposed activities to ensure that mineral development is carried out in accordance with applicable Northern Irish planning laws and environmental regulations. The progression of mineral development will therefore require close scrutiny of all relevant sites and designations of those sites and close co-operation with the relevant planning and environmental authorities. In addition to the costs entailed, the timeframe for securing the permits and consents could be subject to significant delays depending on the approach taken by the planning authorities. There is no guarantee that all necessary permits and consents will be obtained.

3.2.12. **The Use and Carriage of Explosives**: In order to bring explosives into Northern Ireland, Dalradian is required to make an application in writing to the Northern Ireland Office outlining its plans for the proposed mining site, detailing what explosives will be used and for what purpose. This application is then considered by the Secretary of State for Northern Ireland who grants licences for the use of the explosives. Dalradian has received a draft of the temporary onsite explosives licence required for the Underground Program and expects to receive its final licence following construction and inspection of its temporary explosives magazine. Any licence that is granted is subject to the approval and sole discretion of the Secretary of State. There is no assurance that Dalradian will receive any such approval if and when an application is submitted. Furthermore, any explosive transported in Northern Ireland or used within the jurisdiction must be approved by the Police Service of Northern Ireland ("**PSNI**") as per the Justice and Security Act 2007 and must be escorted by an armed guard at all times. The PSNI must be satisfied that the storage facilities for the explosives are of a suitable standard. There is no assurance that the PSNI will approve any storage facilities for any explosives, which Dalradian may require.

3.2.13. **Title Risks**: The acquisition of title to resource properties or interests is a very detailed and time-consuming process. Title to the areas covered by the mineral prospecting licences comprising the Northern Ireland Properties may be disputed. Title may be based upon interpretation of a country's laws, which may be ambiguous, inconsistently applied and subject to reinterpretation or change. While Dalradian has diligently investigated its title to, and rights over and interests in and relating to, Curraghinalt, there is no guarantee of title to any of Dalradian's properties, which may be subject to prior unregistered liens, agreements, transfers or claims, and rights may be affected by, among other things, undetected defects in title.

3.2.14. **Fluctuations in Commodity Prices Could Adversely Affect Operations**: The Company's future profitability and long-term viability will depend, in large part, on the global market price of gold and other commodities that are produced and the marketability of such minerals extracted from Curraghinalt. The market price of gold and other minerals is set in the world market and is affected by numerous factors

beyond the Company's control, including the demand for precious metals, inflation, currency exchange fluctuations, interest rates, speculative activities, international political and economic trends, gold production levels, inventories, demand for jewellery and industrial products containing metals, costs of substitutes, production costs, increased production due to new and improved extraction and production methods, sales by central banks and other holders, global and regional consumption patterns, demand and supply. The aggregate effect of these factors on resource prices is impossible for the Company to predict.

The Company does not currently have a hedging policy and has no present intention to establish one. Accordingly, the Company has no protection from declines in commodity prices. In addition, the Company may not have the ability to purchase hedging instruments in the future. Hedging instruments may also not protect the Company adequately from fluctuations in the market price of gold and other minerals.

3.2.15. **Insurance Risks**: The mining industry is subject to significant risks that could result in damage to, or destruction of, mineral properties or producing and processing facilities, personal injury or death, environmental damage, delays in mining, and monetary losses and possible legal liability. Where required or considered practical to do so, the Company maintains insurance against risks in the operation of its business and in amounts believed to be consistent with industry practice. Such insurance contains exclusions and limitations on coverage. The Company currently maintains directors' and officers' liability insurance. The Company's insurance policies may not provide coverage for all losses related to the Company's business and the payment of any such liabilities not covered by such insurance policies would reduce the funds available to the Company and could have a material and adverse effect on the Company's profitability, results of operation and financial condition. Furthermore, there can be no assurance that such insurance will continue to be available, or that it will be available on terms and conditions acceptable to the Company. The Company does not currently carry insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production).

3.2.16. **Dependence on Management and Outside Advisors**: The success of the Company's operations and activities is dependent to a significant extent on the efforts and abilities of its management team, as well as outside contractors, experts and other advisors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of outside contractors, experts and other advisors hired by the Company. The Company does not have in place a formal program for succession of management or training of management. The loss of one or more members of senior management, key employees or contractors, if not replaced, could materially adversely affect the Company's operations and financial performance.

3.2.17. **Currency Fluctuations**: The Company's activities in Northern Ireland will render it subject to foreign currency fluctuations. The effects of the foreign exchange rate on operating costs and on cash flows, and the escalation of the pound sterling relative to the Canadian dollar may be significant. The Company does not currently have any intention to enter into hedging contracts in connection with foreign currencies. The appreciation of the pound sterling against the Canadian dollar would, in Canadian dollar terms, increase the costs of exploration, evaluation and development of the Company's properties, increase the future operating costs, and increase future taxes and royalties paid to the government of Northern Ireland. These increased costs could materially and adversely affect the Company's profitability, results of operations and financial condition. Since the Company's financial results are reported

in Canadian dollars, its financial position and results will be impacted by exchange fluctuations between the pound sterling and the Canadian dollar.

3.2.18. **Competition in the Mining Industry**: The Company competes with other mineral exploration and mining companies for the acquisition of mineral claims, permits, concessions and other mineral interests as well as for the recruitment and retention of qualified employees. As a result of this competition, much of which is with large established mining companies with substantially greater financial and technical resources, the Company may be unable to acquire additional attractive mining concessions or financing on terms it considers acceptable. Increased competition could result in increased costs and reduced profitability. Consequently, the Company's operations and financial condition could be materially adversely affected.

3.2.19. **Inability to Enforce Legal Rights in Certain Circumstances**: The Company is organized under the laws of Ontario; however, its operating subsidiary is organized under the laws of Northern Ireland. In the event a dispute arises in Northern Ireland, or in another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, given that a substantial portion of the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company or enforcing any judgments obtained in the Canadian courts and predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada, against foreign persons or the Company.

3.2.20. **Conflicts of Interest**: Certain directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and exploitation. To the extent that such other companies may participate in ventures in which the Company may participate, there exists the possibility for such directors and officers to be or come into a position of conflict. In accordance with the laws of Canada, directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In addition, such directors will declare and abstain from voting on any matter in which such directors may have a conflict of interest.

3.2.21. **Accounting Policies and Internal Controls**: The Company prepares its financial reports in accordance with IFRS applicable to publicly accountable enterprises. In preparing financial reports, management may need to rely upon assumptions, make estimates or use their best judgment in determining the Company's financial condition. Significant accounting policies are described in more detail in the Company's audited consolidated financial statements. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes its financial reporting and consolidated financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance.

3.2.22. **Unknown Liabilities in Connection with Acquisitions**: As part of the Company's acquisitions, it has assumed liabilities and risks. While the Company conducted due diligence, there may be liabilities or risks that the Company failed, or was unable, to discover in the course of performing the due diligence investigations or for which the Company was not indemnified. Any such liabilities, individually or in the aggregate, could have a material adverse effect on the Company's financial position and results of operations.

3.2.23. **Litigation Risks**: All industries, including the mining industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Company's future cash flow, results of operations or financial condition.

3.2.24. **Dividends Unlikely in the Near Term**: The Company has not declared or paid any dividends since the date of its incorporation and does not currently anticipate that dividends will be declared in the short or medium term. Whilst the Company expects to pay a dividend once profits, available cash flow and capital requirements allow, it is the current intention that earnings, if any, will be retained to finance further development of the Company's business. However, the Company cannot guarantee that it will have sufficient cash resources to pay dividends in accordance with its stated dividend policy.

3.2.25. **Dilution**: Additional financing needed to continue funding the exploration, development and operation of Curraghinalt may require the issuance of additional securities of the Company. The issuance of additional securities and the exercise of common share purchase warrants, stock options and other convertible securities will result in dilution of the equity interests of any holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

3.2.26. **Liquidity of the Common Shares:** Notwithstanding that Admission becomes effective and dealings commence in the Common Shares, this should not be taken as implying that there will be a liquid market for the Common Shares on AIM. An investment in the Common Shares may thus be difficult to realise on AIM. Investors should be aware that the value of the Common Shares may be volatile and may go down as well as up. Investors may, on disposing of Common Shares, realise less than their original investment or may lose their entire investment. The Common Shares may, therefore, not be suitable as a short-term investment. In addition, the market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which the Common Shares will be traded and the price at which investors may realise their Common Shares will be influenced by a large number of factors, some specific to the Company and its proposed operations, and some which may affect the business sectors in which the Company operates. Such factors could also include the performance of the Company's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Group and general economic conditions.

3.2.27. **Price Volatility:** Following Admission the market price of the Common Shares could be subject to significant fluctuations due to various factors and events, including any regulatory or economic changes affecting the Company's operations, variations in the Company's operating results, developments in the Company's business or its competitors, or to changes in market sentiment towards the Common Shares. The Company's operating results and prospects from time to time may be below the expectations of market analysts and investors. In addition, stock markets from time to time suffer significant price and volume fluctuations that affect the market prices of the securities listed thereon and which may be unrelated to the Company's operating performance. Any of these events could result in a decline in the market price of the Common Shares.

3.2.28. **City Code:** As the Company is incorporated under the OBCA, the rights of shareholders will be governed by the laws of Ontario, applicable Canadian securities

laws, and the Company's articles and by-laws. The rights of shareholders under the OBCA differ in certain respects from the rights of shareholders of companies incorporated in the UK. The risks faced by shareholders by holding shares in a Canadian company include (but are not limited to):

(a) There are no provisions in the OBCA equivalent to section 561 of the UK Companies Act 2008, which (subject to certain exceptions), confer pre-emption rights on existing shareholders in connection with the allotment of shares for cash and the articles of the company do include such pre-emption rights;

(b) The Company is not subject to the City Code and accordingly holders of Common Shares will not be afforded protections under the City Code. However the Company is subject to the applicable Canadian securities law, which include a code governing the conduct of takeover bids (see section 7 (Takeovers) below for more details); and

(c) Applicable Canadian securities law does require a holder of Common Shares to issue a press release and file an Early Warning Report if that person acquires beneficial ownership of, or the power to exercise control or direction over, 10% (5% in certain circumstances) or more of the outstanding Common Shares (and in certain increments thereafter). Subject to certain exemptions, no party may offer to acquire, when taken together with shares held by such party and any party with which such party is acting jointly or in concert, more that 20% of the Common Shares without making a formal take-over bid for the Company. There is a risk that certain exemptions might, in limited circumstances, permit a party or parties could obtain a majority stake in the Company without the other shareholders first knowing the identity of the acquirer or having had an opportunity to receive an offer for their Common Shares. In addition these rules do not apply to issuances of new Common Shares. In either of these scenarios, holders of Common Shares may be left as minority shareholders in a majority owned Company.

4. INCORPORATION AND TSX

4.1. The Company was incorporated as SA Resources Inc. on March 27, 2009 under the OBCA with registered number 2201851. The Company's name was changed to Dalradian Resources Inc. on April 28, 2010.

4.2. The Company's only material wholly-owned subsidiary is Dalradian Gold Limited ("**DGL**") (formerly Ulster Minerals Limited, "**Ulster Minerals**").

4.3. The Company has been listed and its Common Shares have been admitted and posted for trading on the TSX since August 10, 2010 with CUSIP number 235499100 and TSX Code DNA. The ISIN for the Common Shares is CA2354991002. The Depository Interests representing the underlying Common Shares will trade on AIM under the tradeable instrument display mnemonic DALR, SEDOL Number BRS65L4 and the ISIN is the same as for the Common Shares.

4.4. The Company confirms that, following due and careful enquiry, it has adhered to the legal and regulatory requirements involved in having the Common Shares traded on the TSX.

4.5. Copies of all documents or announcements which the Company has made public over the last two years (in consequence of having its Common Shares admitted to and posted for trading on the TSX) are available under the Company's profile on SEDAR at www.sedar.com.

5. SHARE CAPITAL

5.1. In accordance with its Articles of Incorporation, the Company is authorised to issue an unlimited number of Common Shares. The Common Shares are in registered form, though a portion of the Company's share capital is held beneficially through registered intermediaries.

5.2. As at October 31, 2014 (being the latest practicable date prior to the date of the Announcement), the issued share capital of the Company was:

140,035,483 Common Shares fully paid

The Company is seeking admission to trading on AIM in respect of all such issued Common Shares.

5.3. The issued share capital immediately following Admission (assuming no options or warrants are exercised prior to Admission) will be:

140,050,483 Common Shares fully paid

5.4. The total number of Common Shares issuable under warrants as at October 31, 2014 (being the last practicable date prior to the date of the Announcement) is 28,255,799 as follows:

	Number of Common Shares issued under warrants	Exercise Price (C$)	Expiry Date
Unlisted landowner warrants	30,000	2.17	January 1, 2016
Unlisted landowner warrants	40,000	1.81	January 1, 2017
Unlisted landowner warrants	50,000	1.50	January 1, 2018
Broker warrants from Feb 19, 2014 Financing	1,190,250	0.70	August 19, 2015
Share purchase warrants from Feb 19, 2014 Financing	9,918,750	0.90	February 19, 2015
Share purchase warrants from Jul 31, 2014 Financing	9,602,500	1.50	July 31, 2017
Broker warrants from Jul 31, 2014 Financing	1,152,300	0.90	July 31, 2016
Share purchase warrants from Jul 31, 2014 Private Placement	5,599,999	1.50	July 31, 2017
Broker warrants from Jul 31, 2014 Private Placement	672,000	0.90	July 31, 2016
Total	**28,255,799**		

The total number of Common Shares issuable under options as at October 31, 2014 (being the last practicable date prior to the date of the Announcement) is 7,740,000 as follows:

Number of Common Shares issuable under options	Exercise Price (C$)	Expiry Date
625,000	$0.25	August 10, 2015
1,545,000	$0.75	August 10, 2015
550,000	$0.75	August 10, 2015
250,000	$1.60	May 27, 2016
70,000	$2.20	November 2, 2016
180,000	$1.28	April 10, 2017
120,000	$1.23	April 11, 2017
50,000	$1.10	April 23, 2017
50,000	$0.97	May 14, 2017
700,000	$1.11	August 7, 2017
500,000	$1.02	September 11, 2017
35,000	$1.30	February 11, 2018
225,000	$0.71	May 8, 2018
500,000	$0.71	July 9, 2018
300,000	$0.85	February 14, 2019
1,900,000	$0.98	June 25, 2019
140,000	$0.71	September 25, 2019

The total number of Common Shares issuable under Restricted Share Units ("**RSU**") as at 31 October 2014 (being the last practicable date prior to the date of the Announcement) is 995,000 as follows:

Number of RSUs	Grant Date
850,000	August 7, 2012
145,000	October 2, 2014

5.5. The Company does not hold any Common Shares or treasury shares within the terms of section 725(5) Companies Act 2006.

5.6. Save as set out below, there are no restrictions on the transfer of Common Shares:

11,200,000 Common Shares were issued by the Company pursuant to a private placement exempt from Canadian prospectus requirements. These Common Shares are subject to certain resale restrictions including a four-month holding period expiring on December 1, 2014.

6. ARTICLES OF INCORPORATION AND BY-LAWS

6.1. The Company is governed by its Articles of Incorporation dated March 27, 2009 (as amended on October 30, 2009 and April, 28 2010) and the by-laws pursuant to the OBCA.

6.2. The by-laws and the OBCA (where applicable) contain provisions to the following effect:

6.2.1. Objects and Purpose

The objects of the Company are not restricted under the by-laws or Articles of Incorporation dated March 27, 2009 (as amended on October 30, 2009 and April 28, 2010).

6.2.2. Directors and officers

The by-laws provide that a person may only qualify for election as a director if he is: over 18 years old, of sound mind, an individual and not bankrupt. There is an additional requirement that at least 25% of directors are resident Canadians.

Directors are elected at each annual general meeting. At the annual general meeting, each Director then in office shall retire and, if qualified, shall be eligible for re-election. The Shareholders entitled to vote at the annual general meeting shall elect a new Board. The number of Directors to be elected will be the number of Directors as specified in the articles, or if a minimum and maximum number of Directors is provided for in the articles, the number of directors determined by special resolution or, if the special resolution empowers the Directors to determine the number, the number of Directors determined by resolution of the Board.

Directors may be removed by an ordinary resolution passed at a special meeting which has been called for that purpose.

The Board shall manage and supervise the management of the business and the affairs of the Company. As such, the Board has the power to appoint a chairman, a president, one or more vice-presidents, a secretary, a treasurer and any other such officers as the Board may determine. The chairman of the board shall be a Director and shall be vested with such powers as the Board may from time to time assign to him or her. During the absence of the chairman (for whatever reason), the chairman's duties shall be exercised by the president.

6.2.3. Common Shares: rights, preferences and restrictions

Subject to the provisions of the OBCA, the articles and by-laws, and the rules and policies of the TSX, as applicable, shares in the capital of the Company may be issued by the Board at such times and on such terms and conditions and to such persons or class or classes of persons as the Board determines. The Board may from time to time allot or grant options to purchase shares in the capital of the Company to such persons and for such consideration as the board shall determine in accordance with the Company's stock option plan, provided that no share shall be issued until it is fully paid as provided by the OBCA.

Shareholders are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Company, are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares.

In addition, Shareholders have the right to vote at any meeting of Shareholders. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights.

All Common Shares have the same voting rights.

6.2.4. Variation of rights

Under the OBCA, the authorized capital of the Company can be amended by way of articles of amendment, which will require the approval of the holders of 66⅔ of the votes cast at a shareholder meeting. Generally amendments affecting the rights of a class of shares will entitle holders of such class to vote separately as a class on the proposed amendment to the articles.

6.2.5. Meetings of Shareholders

An annual meeting of shareholders shall be held once every year, at such times as may be determined by the Board, and not later than the earlier of fifteen months since the last preceding annual meeting and six months from the end of the Company's fiscal year end.

Shareholders are entitled to receive notice of and to attend any meetings of Shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series.

Meetings of Shareholders shall be held at the registered office of the Company or elsewhere in or outside of Ontario as the Board may determine.

Notice of such meetings can be delivered personally by hand, post or by means of transmitted or recorded communication or electronic communication. Service of such notice is deemed delivered when it is delivered personally or, if served by post, when deposited in a post office or public letter box or, if transmitted, when dispatched to the appropriate communication company, or if delivered electronically, upon receipt of reasonable confirmation of transmission to the designated information system. Such notice must be given not less than 21 days (nor more than 50 days) before the date of the meeting to each Director, registered shareholder and to the auditor.

For every meeting of Shareholders, the Company shall prepare a Shareholders list showing the number of Common Shares held by each Shareholder entitled to vote at the meeting.

Meetings of Shareholders may also be held without notice at any time and place, provided that all Shareholders entitled to vote thereat are present in person or represented by proxy waive the requirement for such notice and if the auditor and the Directors are present or waive the requirement for such notice. However, the accidental omission to give notice will not invalidate any resolution passed at such meeting.

7. TAKEOVERS

The Company is incorporated in Ontario, Canada, has its head office and place of central management in Canada and is resident in Canada. Accordingly, the Company is not subject to the provisions of the City Code and accordingly holders of Common Shares will not be afforded protections under the City Code. Below is a general description of laws and policy in Canada in so far as they concern holding, acquiring or disposing of Common Shares. The law, policies and practice are subject to change from time to time and this general description should not be relied upon by Shareholders or any other person. It does not purport to be a comprehensive analysis of all the consequences resulting from holding, acquiring or disposing of Common Shares and interests in Common Shares. If you are in any doubt as to your own legal position, you should seek independent advice without delay.

The Company exists under the OBCA and the Company is also obliged to comply with the Securities Laws of the provinces (being, the provinces of Canada in which the Company is a "reporting issuer", namely British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland (the "**Provinces**") and the rules and regulations outlined in the TSX Company Manual and also with specific obligations arising from other applicable laws that relate to its activities.

The Securities Commission of each of the Provinces is responsible for administering and enforcing the Securities Laws in their respective Province. The TSX is responsible for administering and enforcing the rules and regulations outlined in the TSX Company Manual.

The requirements set out by the TSX in the TSX Company Manual relating to listed companies are a part of a substantial body of rules and regulations that has evolved to ensure a fair and orderly market for listed securities. The TSX Company Manual and related materials can be found at http://tmx.complinet.com/en/tsx_manual.html.

7.1. Early Warning Reporting and Conduct of Takeover Bids

Securities Laws of the Provinces include a comprehensive code governing both the reporting of the acquisition of significant shareholdings and the conduct of takeover bids. For the purposes of these rules, a person is deemed to own all Common Shares and securities convertible into Common Shares that are held directly or indirectly by, or over which control or direction is exercised by, such person and persons acting jointly or in concert with that person. The Company's Common Shares trade on the TSX.

7.1.1. Early Warning Reporting

Under Securities Laws of the Provinces, any person who directly or indirectly acquires beneficial ownership of, or the power to exercise control or direction over, Common Shares (or securities convertible into Common Shares) of the Company that, together with any Common Shares held by that person, would constitute 10% or more of the outstanding Common Shares, must forthwith issue a news release in Canada announcing, among other things, the number of such securities they hold and their intentions with respect to the securities of the Company. A formal report (an "early warning report") setting forth details regarding the acquisition is also required to be filed with the Securities Commissions of the Provinces, within two business days of the acquisition of Common Shares (or convertible securities) that results in the person holding 10% or more of such securities.

Whenever a person who has filed an early warning report acquires an additional 2% of the Company's Common Shares (including securities convertible into Common Shares), or if there is a change in a material fact disclosed in a previously filed report, an additional report must be filed within the same time limits.

7.1.2. Takeover Bid Rules

Any person who acquires or offers to acquire 20% or more of the Company's Common Shares (other than pursuant to an issuance from treasury) is deemed to be making a takeover bid. The applicable Canadian Securities Laws generally provide that takeover bids must:

(a) be made available to all shareholders;

(b) be open for acceptance for a minimum of 35 days;

(c) offer identical consideration to all shareholders; and

(d) be made by a takeover bid circular containing prescribed information about the bidder and its intentions with respect to the Company.

There are also rules that, subject to certain exemptions, require the bidder to offer at least as high a price and offer to acquire at least as great a percentage as such bidder gave to any other person in the 90 day period preceding the bid.

There are various statutory exemptions available from these rules. In particular, a person may acquire up to 5% of the Company's Common Shares in any 12- month period at prices not in excess of "market price" (plus brokerage). Also, a person may acquire Common Shares of the Company from no more than five persons in private transactions at no more than 115% of "market price".

Pursuant to section 188 of the OBCA, if within 120 days after the date of a takeover bid, the bid is accepted by holders of not less than 90% of the securities to which the bid relates, then the offeror is entitled upon complying with the applicable provisions of the OBCA to acquire the securities held by dissenting offerees.

7.1.3. Insider Reporting

A person who acquires direct or indirect beneficial ownership of or the power to exercise control or direction over, more than 10% of the Common Shares of the Company is considered to be an "insider" of the Company. Each insider must file an initial insider report in prescribed form within 10 days of becoming an insider disclosing the holdings of that person. That insider must file a further insider report within five days of any change in the ownership or control or direction over securities of the Company.

Insider reports are filed electronically using the System for Electronic Disclosure by Insiders ("**SEDI**") established by the Canadian Securities Administrators. Further information about SEDI can be found at the SEDI website (www.sedi.ca).

7.2. Foreign Investment

Under the Investment Canada Act, the direct acquisition of control of a Canadian business by a non-Canadian that exceeds the relevant financial threshold prescribed under Part IV of the Investment Canada Act is subject to review and cannot be implemented until the non-Canadian has submitted an application for review to the Minister responsible for the Investment Canada Act and the Minister is satisfied, or is deemed under the Investment Canada Act to be satisfied, that the transaction is likely to be of net benefit to Canada. The financial thresholds for review applicable to investments by World Trade Organization ("WTO") member investors or where a Canadian business is ultimately controlled by a WTO member investor (other than a Canadian) is currently C$354 million (this is the threshold for 2014 and the figure is adjusted annually based on the change in the Canadian GDP in each succeeding year). Great Britons and companies controlled out of the UK are WTO investors. Where the applicable review threshold is not met, the transaction will not be subject to review unless the Canadian business is a "cultural business". The Company does not currently carry on or control any Canadian business that would be subject to review under the Investment Canada Act. In order for a reviewable transaction to be approved by the Minister of Industry, it must result in a "net benefit" to Canada. The Investment Canada Act sets out a number of factors that are to be taken into account in determining whether the proposed investment is of net benefit to Canada, including, the effect of the investment on the level and nature of economic activity in Canada and the degree and significance of participation by Canadians in the existing and proposed businesses. Factors such as

continued employment and infusion of capital by the acquirer are particularly significant to Investment Canada and assist in meeting the net benefit test. Conversely, plans to downsize following a merger can be impediments to achieving approval for the investment. If a proposed investment is subject to review, the Minister of Industry will either approve or not approve the proposed investment. The Investment Canada Act allows the investor to amend the terms of the application to provide for commitments, plans and undertakings, including with respect to the expenditure of certain amounts on capital or technology as well as the maintenance of employment levels or retaining head office functions in Canada so that the Minister of Industry is satisfied that the investment is of net benefit to Canada. During the course of a review, the Minister of Industry may seek input from provincial governments or other government departments that they believe may be affected by, or have an opinion on, the proposed investment.

The Minister of Industry has 45 days to determine whether or not to allow the investment. The Minister of Industry can unilaterally extend the 45 day period by an additional 30 days by sending a notice to the investor prior to the expiration of the initial 45 day period. Further extensions are permitted if both the investor and the Minister of Industry agree to the extension. If no approval or notice of extension is received within the applicable time then the investment is deemed approved.

Investments to acquire control of Canadian businesses by non-Canadians that do not meet the relevant financial threshold and the establishment of a new business are subject only to a notification filing requirement that must be made within 30 days following implementation of the investment.

In addition, under Part IV.I of the Investment Canada Act, investments by non-Canadians to establish a new Canadian business, acquire control of a Canadian business, or acquire, in whole or in part, or to establish an entity carrying on all or any part of its operations in Canada, whether or not the transaction is otherwise subject to review, can be made subject to review and approval on grounds that the investment could be injurious to national security. If the transaction is reviewed under Part IV.I of the Investment Canada Act, the Governor in Council (i.e., the Federal Cabinet) may, by order, take any measure in respect of the investment that the Governor in Council considers advisable to protect national security, including (a) directing the non-Canadian not to implement the investment; (b) authorizing the investment on condition that the non-Canadian (i) give any written undertakings to Her Majesty in right of Canada relating to the investment that the Governor in Council considers necessary in the circumstances, or (ii) implement the investment on the terms and conditions contained in the order, in which case the Minister will continue its review of the purchaser's Application for Review and any proposed undertakings; or (c) requiring the non-Canadian to divest itself of control of the Canadian business or of its investment in the entity.

8. NO SIGNIFICANT CHANGE - WORKING CAPITAL

8.1. Other than has been disclosed in the Public Record/disclosed in the unaudited interim financial information relating to the Group for the nine month period ended September 30, 2014, there have been no significant changes in the financial or trading position of the Company since the end of the financial year ended December 31, 2013.

8.2. The Directors have no reason to believe that the working capital available to the Company or its subsidiaries will be insufficient for at least 12 months from the expected date of Admission.

9. FINANCIAL INFORMATION

The unaudited interim financial information relating to the Group for the nine month period ended September 30, 2014 and the audited consolidated financial information relating to the

Group for (i) the years ended December 31, 2013 and December 31, 2012, dated March 25, 2014; and (ii) the years ended December 31, 2012 and December 31, 2011, dated March 28, 2013; can be found on the Company Website at www.dalradian.com and under the Company's SEDAR profile at www.sedar.com.

10. MAJOR SHAREHOLDERS

10.1. Subject to the limitations described in paragraph 10.5.3 below, the Company is aware of the following shareholdings which represent 3% or more of the Company's issued Common Shares as at 31 October 2014 (being the last practicable date prior to the date of the Announcement) 2014:

Shareholder	Number of Common Shares	Percentage of issued share capital as at 31 October 2014	Percentage of issued share capital immediately following Admission (assuming no options or warrants are exercised prior to Admission)
Sprott Asset Management**	19,952,400	14.2%	14.2%
Rosseau Asset Management Ltd.	16,286,300	11.6%	11.6%
Front Street Capital*	9,469,661	6.8%	6.8%

**Sprott Asset Management LP, Sprott Global Resource Investments Ltd., Sprott Asset Management USA Inc., and Resource Capital Investment Corp.

* Front Street Special Opportunities Class (8,462,800 Common Shares), Front Street Canadian Energy Resource Fund (615,148 Common Shares) and Front Street Growth Fund (391,713 Common Shares)

Such shareholders do not have different voting rights in respect of their Common Shares than other shareholders.

10.2. The warrants held by the shareholders listed above in 10.1 as at 31 October 2014 (being the last practicable date prior to the date of the Announcement) are as follows:

Shareholder	Number of Warrants
Sprott Asset Management **	6,460,000
Rosseau Asset Management Ltd.	1,285,750
Front Street Capital	*

**As Front Street Capital's holdings are below the 10% level at which Canadian securities law imposes disclosure obligations, as a result the Company does not have this information in its possession. For further information see paragraph 10.5.3 below.*

10.3. So far as the Company is aware (as described in paragraph 10.5), the percentage of its issued Common Shares as at October 31, 2014 and as expected at Admission not in public hands for the purposes of the AIM Rules for Companies is 30.4%, being the shareholdings of directors, management and substantial shareholders.

10.4. So far as the Company is aware (as described in paragraph 10.5), (a) the Company is not directly or indirectly controlled by any company or person acting jointly or severally or (b)

there are no arrangements the operation of which may at a subsequent date result in a change of control of the Company.

10.5. The Disclosure of Interests in Shares

10.5.1. As an OBCA corporation, the Company is not subject to the provisions of the UK Disclosure Rules and Transparency Rules and, consequently, shareholders will not be subject to any UK requirement to disclose to the Company the level of their interests in Common Shares.

10.5.2. It should be noted that under the OBCA, the provisions of the by-laws are not legally binding on the shareholders of the Company nor are there otherwise any statutory obligations on shareholders to disclose to the Company the level of their interests in Common Shares, other than under certain securities legislation in Canada which are described in paragraph 7.1 above.

10.5.3. When acquiring shares in the Company, shareholders are entitled under Canadian securities laws to categorise themselves as "objecting" ("**Obos**") or "non-objecting" ("**Nobos**"). By registering as such, which they usually do through the entity through which they acquired their shares, Obos are noting that they object to their interest and their details being disclosed to the Company, up to 10% at which level Canadian securities law makes disclosure mandatory; Nobos on the other hand are noting the fact that they do not object to their shareholdings and their details being disclosed to the Company. Rule 17 of the AIM Rules for Companies requires, *inter alia*, that a Company announce once it is aware that a shareholder is holding is 3% or more, and of changes thereto (movements through a percentage point or more).

10.5.4. The Directors undertake to approve an amendment of the by-laws to include provisions, which will be subject to ratification at the next annual general meeting (anticipated to be held on or about June 2015), requiring shareholders holding 3% or more of the voting rights in the Company to notify the Company thereof and of subsequent changes thereto which reach, exceed or fall below a 1% threshold, so long as the Common Shares are admitted to trading on AIM. To the extent shareholders do not comply with the by-law the Company will not necessarily be aware of interests below this figure, and the Company will be unable to announce these shareholdings in accordance with the requirements of rule 17 of the AIM Rules for Companies.

11. DIRECTORS' INTERESTS

11.1. As at October 31, 2014 (being the latest practicable date prior to the date of the Announcement) and as expected to be held on Admission, the interests (all of which are beneficial) of the Directors (including any interest known to that Director or which could with reasonable diligence be ascertained by him or any person connected with a Director within the meaning of paragraph 252 to 255 of the UK Company Act 2006 (as amended)) in the Company's issued share capital are or are expected to be as follows:

Director	Number of Common Shares	Percentage of issued share capital as at October 31, 2014 (being the latest practicable date prior to the date of the Announcement)	Percentage of issued share capital immediately following Admission (assuming no options or warrants are exercised prior to	Number of Common Shares under options/ warrants/ RSUs	Expiry Date	Exercise Price (C$)
Patrick Fergus Neill Anderson	3,505,611	2.50	2.50	Under option: 250,000 750,000 400,000 Under warrant: 71,500 55,556 Under RSUs: 445,000	 Aug. 10, 2015 Aug. 10, 2015 Jun. 25, 2019 Feb. 19, 2015 Jul. 31, 2017	 0.25 0.75 0.98 0.90 1.50
Ronald Peter Gagel	150,000	0.11	0.11	Under option: 250,000 150,000 150,000 Under warrant: 50,000	 Aug. 10, 2015 Aug. 7, 2017 Jun. 25, 2019 Feb. 19, 2015	 0.75 1.11 0.98 0.90
Thomas John Obradovich	106,500	0.08	0.08	Under option: 250,000 250,000 150,000 Under warrant: 50,000 Under RSUs: 250,000	 May 27, 2016 Aug. 7, 2017 Jun. 25, 2019 Feb. 19, 2015	 1.60 1.11 0.98 0.90
Sean Evan Otto Roosen	1,554,833	1.04	1.11	Under option: 150,000 250,000 150,000 150,000 Under Warrant: 71,500 166,666	 Aug. 10, 2015 Aug. 10, 2015 Aug. 7, 2017 Jun. 25, 2019 Feb. 19, 2015 Jul. 31, 2017	 0.25 0.75 1.11 0.98 0.90 1.50
Jonathan Arn Rubenstein	79,600	0.06	0.06	Under option: 250,000 150,000	 Jul 9, 2018 Jun. 25, 2019	 0.71 0.98

Ari Benjamin Sussman	773,000	0.55	0.55	Under option: 135,000 250,000 150,000 150,000	 Aug. 10, 2015 Aug. 10, 2015 Aug. 7, 2017 Jun. 25, 2019	 0.25 0.75 1.11 0.98
David Grenville Thomas	125,000	0.09	0.09	Under option: 250,000 150,000 Under warrant: 50,000	 Jul. 9, 2018 Jun. 25, 2019 Feb. 19, 2015	 0.71 0.98 0.90

11.2. None of the Directors or any person connected with them (within the meaning of section 252 of the UK Company Act 2006 (as amended)) is interested in any related financial product referenced to the Common Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Common Shares including a contract for difference or a fixed odds bet).

12. ADDITIONAL INFORMATION ON THE DIRECTORS

12.1. The Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

Name	Current directorships /partnerships	Previous directorships /partnerships
Patrick F. N. Anderson	Oban Mining Corporation	Malbex Resources Inc. Colossus Minerals Inc. Continental Gold Limited U308 Corp. Noront Resources Ltd.
Thomas J. Obradovich	Anglo Swiss Resources Inc. Lago Dourado Minerals Ltd.	
Ari B. Sussman	Continental Gold Limited	Colossus Minerals Inc.
Sean E. O. Roosen	Osisko Royalties Mining Corp. Condor Petroleum Inc. Bowmore Exploration Ltd. Astur Gold Corp.	Rio Novo Gold Inc.
Ronald P. Gagel	Adriana Resources Inc. Stonegate Agricom Ltd.	Strategic Resource Acquisition Corporation
Jonathan A. Rubenstein	Detour Gold Corporation Eldorado Gold Corporation MAG Silver Corp. Roxgold Inc. Troon Ventures Ltd.	Rio Novo Gold Inc.
D. Grenville Thomas	Strongbow Exploration Inc. North Arrow Minerals Inc. Westhaven Ventures Inc. Helio Resources Corp.	

12.2. None of the Directors:

12.2.1. has any unspent convictions in relation to indictable offences;

12.2.2. has been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body);

12.2.3. has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, other than (i) Jonathan A. Rubenstein who was a director of Primero Industries Inc., which made a voluntary assignment into bankruptcy in or around 1998, and was also a director of Pacific Minesearch Limited which was suspended for failure to file financial statements in or around 1992; and (ii) Ronald P. Gagel who was a director of Strategic Resource Acquisition Corporation (as the appointee of Quadra FNX Mining Ltd., formerly FNX and subsequently acquired by KGHM International Inc.) from March 2008 to August 2008, which sought bankruptcy protection under the CCAA on January 16, 2009, and emerged from CCAA protection on August 17, 2009.

12.2.4. has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership;

12.2.5. has any asset which, at any time, has been the subject of a receivership;

12.2.6. is or has been bankrupt nor been the subject of any form of individual voluntary arrangement; and

12.2.7. is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

12.3. The table below shows the term and expiry of the Directors' tenure as at October 31, 2014 (being the latest practicable date prior to the date of the Announcement):

Name	Date of appointment	Date of expiration*
Patrick F. N. Anderson	October 30, 2009	June 2015
Thomas J. Obradovich	May 13, 2011	June 2015
Ari B. Sussman	October 30, 2009	June 2015
Sean E.O. Roosen	October 30, 2009	June 2015
Ronald P. Gagel	June 9, 2010	June 2015
Jonathan A. Rubenstein	June 27, 2013	June 2015
D. Grenville Thomas	June 27, 2013	June 2015

**Pursuant to the Company's by-laws, the directors are elected at each annual meeting for a term until the following annual meeting of shareholders. If qualified the directors are eligible for re-election. The next annual meeting is expected to occur on or about June 2015.*

13. LOCK-IN ARRANGEMENTS

Pursuant to the Rule 7 of the AIM Rules for Companies, the Directors, Keith McKay and Tim Warman have each undertaken to Canaccord that they shall not, except in certain specified circumstances, and as permitted by Rule 7 of the AIM Rules for Companies, sell, transfer, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Common Shares ("**Interest**") held by them at the date of Admission (or rights arising from any such shares or other securities or attached to any such shares) (together the "**Restricted Shares**") prior to the first anniversary of Admission (the "**Lock In Period**").

14. ARRANGEMENTS AND REMUNERATION OF DIRECTORS

The Directors received the following sums in the year ended December 31, 2013 in addition to any share based compensation which is disclosed in the Company's Management Information Circular dated May 26, 2014, available under the Company's SEDAR profile at www.sedar.com.

Name	Fee (C$)	Bonus (C$)	Total (C$)
Patrick F. N. Anderson	-	-	-
Thomas J. Obradovich	125,000.00	-	125,000.00
Ari B. Sussman	50,000.00	-	50,000.00
Sean E.O. Roosen	50,000.00	-	50,000.00
Ronald P. Gagel	60,000.00	-	60,000.00
Jonathan A. Rubenstein	15,000.00	-	15,000.00
D. Grenville Thomas	15,000.00	-	15,000.00

Summaries of the service agreements and other arrangements for the Directors, including their remuneration arrangements for the current financial year can be found in the Public Record. Other than Patrick F. N. Anderson, Chief Executive Officer of the Company, whose remuneration arrangements are summarized under "Statement of Executive Compensation" in the Company's management information circular dated May 26, 2014, available under the Company's SEDAR profile at www.sedar.com, none of the Company's other directors are entitled to any benefits on termination of their employment or office.

15. RELATED PARTY TRANSACTIONS

Save as set out in the Public Record, the Company has not, as at 31 October 2014 (being the latest practicable date), entered into any transactions with persons who are related parties for the purposes of relevant International Financial Reporting Standards which are (as a single transaction or in their entirety) material to the Company.

16. SETTLEMENT AND CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by written instrument. Overseas securities,

such as those issued by the Company, a company existing under the OBCA, cannot be held or settled within the CREST system.

However, to enable shareholders to settle their securities through the CREST system, the Company intends to put in place a Depositary Interest facility operated by the UK Depositary. The Depositary Interest facility will be created pursuant to a deed poll under which the UK Depositary (or its nominee) will hold Common Shares in certificated form on trust for Shareholders and it will issue uncertificated Depositary Interests (on a one-for-one basis) representing those underlying Common Shares and provide the necessary custodian services (the "**Deed Poll**"). The relevant Shareholders will retain the beneficial interest in the Common Shares held through the Depositary Interest facility and voting rights, dividends or any other rights relating to those Common Shares will be passed on by the Depositary (or its nominee) in accordance with the terms of the Deed Poll. The Depositary Interests can then be traded, and settlement can be effected within the CREST system in the same way as any other CREST security.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

The Common Shares will remain listed and traded on the TSX, with trades settled electronically on the Canadian register through CDS.

Common Shares held on the Canadian registry cannot be settled through CREST on AIM and similarly, Depositary Interests representing Common Shares held through CREST cannot be settled through CDS on the TSX. However, Common Shares held through CDS on the Canadian registry may be transferred into Depositary Interests which can then be held through CREST and vice versa.

Shareholders wishing to undertake such a transfer will generally need to contact their broker and allow a reasonable time for the transfer to be effected. Furthermore, Shareholders will need to establish an account with a broker in the market to which they are transferring their Common Shares in order to trade their Common Shares on that market.

17. DEPOSITORY INTERESTS

17.1. A depositary agreement ("**Depositary Agreement**") between (1) the Company and (2) the UK Depositary pursuant to which the UK Depositary will agree to provide depositary services to the Company is intended to be entered into prior to Admission pursuant to which the UK Depositary will execute the Deed Poll and thereunder issue the Depositary Interests in favour of the holders of the Depositary Interests from time to time. Prospective holders of Depositary Interests should note that they will have no rights in respect of the underlying Common Shares or the Depositary Interests representing them against Euroclear, or its subsidiaries.

Common Shares will be transferred to an account of the UK Depositary or its nominated custodian (a "**Custodian**") and the UK Depositary will issue Depositary Interests to participating members.

Each Depositary Interest will be treated as one Common Share for the purposes of determining, for example, eligibility for any dividends, and the UK Depositary will pass on to the holders of Depositary Interests any stock or cash benefits received by it as holder of Common Shares on trust for such Depositary Interest holder. Depositary Interest holders will also be able to receive notices of meetings of holders of Common Shares and other notices issued by the Company to its Shareholders.

The Depositary Interests will have the same security code (ISIN) as the underlying Common Shares and will not be required to be admitted separately to trading on the London Stock Exchange.

The Deed Poll governing the issue of Depositary Interests will contain, among other things, provisions to the following effect which are binding on holders of Depositary Interests:

17.1.1. The UK Depositary will hold (itself or through its nominated custodian, as bare trustee), the underlying securities issued by the Company and all and any rights and other securities, property and cash attributable to the underlying securities pertaining to the Depositary Interests for the benefit of the holders of the relevant Depositary Interests. The Depositary Interest holder may call to have his Depositary Interests cancelled and the underlying securities and rights, property and cash attributable thereto delivered to him.

17.1.2. The UK Depositary and Custodian must pass on to Depositary Interest holders and exercise on behalf of Depositary Interest holders all rights and entitlements received or to which they are entitled in respect of the underlying securities which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form which they are received together with any amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

17.1.3. The Deed Poll contains provisions excluding and limiting the UK Depositary's liability. For example, the UK Depositary shall not be liable to any Depositary Interest holder or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful deceit or fraud or that of any person for whom it is vicariously liable, provided that the UK Depositary shall not be liable for the negligence, wilful deceit or fraud of any custodian or agent which is not a member of its group unless it has failed to exercise reasonable care in the appointment and continued use and supervision of such custodian or agent. Furthermore, the UK Depositary's liability to a holder of Depositary Interests will be limited to the lesser of (a) the value of the Common Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates and (b) that proportion of £5 million which corresponds to the portion which the amount the UK Depositary would otherwise be liable to pay to the Depositary Interest holder bears to the aggregate of the amounts the UK Depositary would otherwise be liable to pay to all Depositary Interest holders in respect of the same act, omission or event or, if there are no such amounts, £5 million.

17.1.4. The UK Depositary is entitled to charge Depositary Interest holders fees and expenses for the provision of its services under the Deed Poll.

17.1.5. Each Depositary Interest holder is liable to indemnify the UK Depositary and the Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of the Depositary Interests held by that holder, other than those resulting from the wilful deceit, negligence or fraud of the UK Depositary, or the Custodian of the same group or the UK Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of any custodian or agent.

17.1.6. The UK Depositary may terminate the Deed Poll by giving at least 30 days' notice. On such notice each holder is deemed to have requested the cancellation of his

Depositary Interests and withdraw all of the deposited property. If any Depositary Interests remain outstanding after termination, the UK Depositary must, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant Depositary Interest holders or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonable practicable, deliver the net proceeds of any such sale, after deducting any sums due to the UK Depositary, together with any other cash held by it under the Deed Poll *pro rata* to holders of the Depositary Interest in respect of their Depositary Interests.

17.1.7. The UK Depositary or the Custodian may require from any holder or former or prospective holder of Depositary Interests information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Common Shares and the Depositary Interest holders are bound to provide such information requested.

17.2. To the extent that, among other things, the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Company's securities, the Depositary Interest holders are to comply with such provisions and with the Company's instructions with respect thereto. It should also be noted that Depositary Interest holders may not have the opportunity to exercise all of the rights and entitlements available to holders of Common Shares including, for example, the ability to vote on a show of hands. In relation to voting, it will be important for Depositary Interest holders to give prompt instructions to the Depositary or the Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Common Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling Depositary Interest holders to vote such Common Shares as a proxy of the Depositary or the custodian.

18. UK TAXATION

18.1. General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring, holding or disposing of Common Shares. The following statements are based on current UK legislation and what is understood to be the current practice of Her Majesty's Revenue and Customs ("**HMRC**") as at the date of this document, both of which may change, possibly with retroactive effect. They apply only to Shareholders who are resident (and in the case of individual Shareholders, ordinarily resident and domiciled) for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Common Shares as an investment (other than under an individual savings account), and who are the absolute beneficial owners of both their Common Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring Common Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) or trustees and beneficiaries as regards shares held in trust is not considered.

Any person who is in any doubt about their taxation position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

18.2. Taxation of Chargeable Gains

18.2.1. UK tax resident Shareholders

Disposals

If a Shareholder sells or otherwise disposes of all or some of the Common Shares, he may, depending on his circumstances and subject to any available exemption or relief, incur a liability to Capital Gains Tax ("**CGT**").

There are a number of tax reliefs available for unquoted securities (subject to a number of different requirements in each case) and anyone who requires further information on their availability should consult an appropriate professional adviser.

18.2.2. UK tax non-resident Shareholders

A Shareholder who is not resident for tax purposes in the UK will not generally be subject to CGT on a disposal of Common Shares unless the Shareholder is carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Common Shares are used, held or acquired.

Such Shareholders may be subject to foreign taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK for a period of less than five tax years and who disposes of all or part of his Common Shares during that period may be liable to CGT on his return to the UK, subject to available exemptions or reliefs.

18.3. Taxation of Dividends

Liability to tax on dividends will depend upon the individual circumstances of a Shareholder. The charge is on the amount of the dividend arising, although double tax relief may be available for any Canadian withholding tax suffered (see Canadian Taxation section).

An individual Shareholder who is resident for tax purposes in the UK and who receives a dividend from the Company will generally be entitled to a tax credit to one-ninth of the amount of the dividend arising (i.e., before the deduction of any Canadian withholding tax), which is equivalent to 10% of the aggregate of the dividend arising and the tax credit (the "**gross dividend**"), and will be subject to income tax on the gross dividend. An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the gross dividend at the rate of 10%, so that the tax credit will satisfy the income tax liability of such a Shareholder in full. A Shareholder who is subject to income tax at the higher rate will be liable to income tax on the gross dividend at the rate (currently) of 32.5% to the extent that such sum, when treated as the top slice of the Shareholder's income, falls above the threshold for higher rate income tax. After taking into account the 10% tax credit, a higher rate taxpayer will therefore be liable to additional income tax of 22.5% of the gross dividend, equal to 25% of the net dividend. Where the tax credit exceeds the Shareholder's tax liability the Shareholder cannot claim repayment of the tax credit from HMRC.

An individual Shareholder who is resident for tax purposes in the UK and who is liable to tax at the new "additional" rate will be liable to tax on the gross dividend at the rate of 37.5%, equal to 30.56% of the net dividend.

A corporate Shareholder (within the charge to UK corporation tax) which is a 'small company' for the purposes of the UK taxation of dividends legislation will not generally be subject to UK corporation tax on dividends from the Company, on the basis the payer is resident in a 'qualifying territory' at the time the dividend is received. A 'qualifying

territory' for these purposes is any territory with which the UK has a double tax treaty that has an appropriate non-discrimination clause, and this includes Canada.

Other corporate Shareholders (within the charge to UK corporation tax) will not be subject to tax on dividends from the Company provided the dividends fall within an exempt class and certain conditions are met. In general, almost all dividends received by corporate Shareholders will fall within an exempt class.

UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

Shareholders who are resident outside the UK for tax purposes will not generally be able to claim repayment of any part of the U K tax credit attaching to dividends received from the Company, although this will depend on the existence and terms of any double taxation convention between the UK and the country in which such Shareholder is resident. A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

18.4. UK Stamp Duty and Stamp Duty Reserve Tax ("**SDRT**")

18.4.1. No stamp duty or SDRT will arise on the issue or allotment of new Common Shares by the Company.

18.4.2. Subsequent transfers

No UK Stamp duty is payable on an instrument transferring Common Shares. No charge to SDRT should also arise on an unconditional agreement to transfer Common Shares while the Company does not maintain a register in the UK.

No charge to SDRT should arise on an unconditional agreement to transfer a depositary interest in Common Shares while they satisfy the requirements of the SDRT (UK Depositary Interest in Foreign Securities) Regulations 1999.

19. CANADIAN TAXATION

19.1. The following is a general summary of the principal Canadian federal income tax consequences applicable to a holder of Common Shares who, at all relevant times for the purposes of the Income Tax Act (Canada) (the "**Canadian Tax Act**"), is neither resident, nor deemed to be a resident of Canada, holds such Common Shares as capital property, deals at arm's length with the Company, is not affiliated with the Company, and has not and will not use or hold or be deemed to use or hold the Common Shares in or in the course of carrying on a business in Canada (a "**Non-Canadian Holder**"). Special rules, which are not discussed below, may apply to a shareholder that is an insurer which carries on business in Canada and elsewhere or an "authorized foreign bank" within the meaning of the Canadian Tax Act.

The Common Shares will generally be considered capital property to a Non-Canadian Holder unless either (i) the Non-Canadian Holder holds the Common Shares in the course of carrying on a business of buying and selling securities or (ii) the Non-Canadian Holder has acquired the Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is based on the current provisions of the Canadian Tax Act, the regulations thereunder (the "**Regulations**") taking into account all administrative policies and assessing

practices of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date hereof. This summary also takes into account all specific proposals to amend the Canadian Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (collectively, the "**Proposed Amendments**"). This summary assumes that all such Proposed Amendments will be enacted in the form currently proposed but no assurances can be given that the Proposed Amendments will be enacted or will be enacted as proposed. Other than the Proposed Amendments, this summary does not take into account or anticipate any changes in law or the administration policies or assessing practice of the CRA, whether by judicial, legislative, governmental or administrative decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

19.2. Dividends

Dividends paid or credited on the Common Shares to a Non-Canadian Holder will be subject to Canadian withholding tax. The rate of such tax generally applicable under the Canadian Tax Act is 25%, subject to reduction under the provisions of an applicable tax treaty or convention. The Canada-United Kingdom Income Tax Convention (the "**Canada-UK Treaty**") provides that the normal 25% withholding tax rate under the Canadian Tax Act is reduced generally to 15% on dividends paid on shares of a company resident in Canada (such as the Company) to beneficial owners of the dividends who are residents of the United Kingdom, and also provides for a further reduction of this rate to 5% if the beneficial owner of the dividends is a company that is a resident of the United Kingdom which controls, directly or indirectly, at least 10% of the voting power in the company paying the dividends.

19.3. Capital Gains

A Non-Canadian Holder will not be subject to tax under the Canadian Tax Act in respect of any capital gain realized by such Non-Canadian Holder on a disposition or deemed disposition of Common Shares, nor will capital losses arising from a disposition be recognized under the Canadian Tax Act unless the Common Shares constitute "taxable Canadian property" (as defined in the Canadian Tax Act) of the Non-Canadian Holder at the time of disposition and the Non-Canadian Holder is not entitled to relief under an applicable income tax treaty or convention.

Provided the Common Shares are listed on a "designated stock exchange" (as defined in the Canadian Tax Act and which includes the TSX) at the time of disposition, the Common Shares generally will not constitute taxable Canadian property of a Non-Canadian Holder at that time unless at any time during the 60 month period immediately preceding the disposition the following two conditions have been met concurrently: (i) the Non-Canadian Holder, persons with whom the Non-Canadian Holder did not deal at arm's length, partnerships in which the Non-Canadian Holder or any such non-arm's length person holds membership interest (either directly or indirectly through one or more partnerships) or the Non-Canadian Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, "Canadian resource properties" (as defined in the Canadian Tax Act), "timber resource properties" (as defined in the Canadian Tax Act) or an option, an interest or for civil law a right in such property, whether or not such property exists. Notwithstanding the foregoing, in certain circumstances set out in the Canadian Tax Act, a share could be deemed to be taxable Canadian property of the Non-Canadian Holder.

Where a Non-Canadian Holder realises a capital gain on a disposition of Common Shares that constitute taxable Canadian property, the Non-Canadian Holder may be exempt from

Canadian tax pursuant to an applicable tax treaty or convention. The Canada-UK Treaty generally relieves residents of the United Kingdom from liability for Canadian tax on capital gains realised on the disposition of shares quoted on an approved stock exchange (which includes the TSX) or if immediately before the disposition of the shares the person owned alone, or together with any person related to or connected with the person, less than 10% of each class of the share capital of the Company, unless:

19.3.1. the person was a resident of Canada at any time during the fiscal year in which the shares were disposed of; or

19.3.2. the person had been a resident of Canada at any time during the six years immediately preceding the date of disposition.

Non-Canadian Holders whose securities are, or may be, taxable Canadian property should consult their own advisors.

20. MATERIAL CONTRACTS

20.1. In addition to the agreements summarised or contained in the Company's Public Record (which can be found at www.dalradian.com, www.sedar.com) the following contracts, other than contracts entered into in the ordinary course of business, have been entered into by the Company or its subsidiaries during the two years immediately preceding the date of the Announcement and are, or may be, material as of the date of the Announcement:

20.1.1. the Nomad and Broker Agreement pursuant to which the Company has appointed Canaccord to act as nominated adviser and broker to the Company for the purposes of the AIM Rules for Companies as from Admission. The Company has agreed to pay Canaccord a fee of £70,000 plus VAT (if applicable) per annum for its services as nominated adviser and broker under this agreement. The agreement contains certain undertakings and indemnities given by the Company to Canaccord. The agreement is terminable upon not less than three months' prior written notice by either the Company or Canaccord;

20.1.2. the Introduction Agreement pursuant to which Canaccord has agreed to use its reasonable endeavours to assist the Company to obtain Admission. The Company has agreed to pay Canaccord a fee, subject to Admission, of £150,000 plus VAT (if applicable) for its services under the Introduction Agreement. The Introduction Agreement contains certain undertakings, warranties and indemnities given by the Company to Canaccord. The agreement may be terminated by Canaccord including in circumstances prior to Admission by written notice and is conditional upon Admission becoming effective no later than December 31, 2014; and

20.2. In addition the following material subsisting contracts have been entered into by the Company or its subsidiaries in relation to the Northern Ireland Properties:

20.2.1. DETI Prospecting Licences and CEC Mining Lease Option Agreements, as set out in paragraphs 1.3 and 1.4 above, and summarized in greater detail at pages 48 to 53 of the Competent Persons Report.

20.2.2. the Surface Works Contract awarded to F.P. McCann Limited in connection with the surface works portion of the Underground Program, entered into in September 2014 and valued at approximately $3.3 million; and

20.2.3. the Underground Exploration Development Agreement awarded to QME Mining Services Limited for the provision of mining services, operators, equipment and

material in connection with the underground portion of the Underground Program, entered into in October 2014 and valued at approximately $7.5 million.

21. LITIGATION

No member of the Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability and, so far as the Directors are aware, there are no such proceedings pending or threatened by or against any member of the Group.

22. EMPLOYEES

The Company, together with its subsidiaries, has in total 34 employees (not including those employed under consultancy and service agreements) as at the date of this document of which 9 are located in Canada and 26 are employed by DGL in Northern Ireland. The estimated total of employees of the Company as at March 28, 2011, March 26, 2012 and March 28, 2013 was 8, 28 and 34 respectively.

23. CORPORATE GOVERNANCE

The Company is subject, among other laws and regulations, to instruments published by relevant Canadian securities regulators. One such instrument, National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI 58-101**"), prescribes certain disclosure by the Company of its corporate governance practices and National Policy 58-201 - Corporate Governance Guidelines ("**NP 58-201**"), provides non-prescriptive guidelines on corporate governance practices for the Company. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI-58-101 and NP 58-201.

As a result of its listing on the TSX and being a reporting issuer in the Provinces, the Company has already established corporate governance practices and procedures, and complies with Canadian corporate governance standards appropriate for it as a publicly listed company.

The Directors have also adopted a Code of Business Conduct and Ethics (the "**Code**") applicable to all employees and officers of the Company and all Directors to highlight key issues and identify resources available to them in order to assist them in reaching appropriate decisions. The Board monitors compliance with the Code and management provides an annual report to the Board regarding issues, if any, arising under the Code.

In particular, the Company has established an Audit Committee, which meets regularly, and a Corporate Governance and Compensation Committee, and a Safety, Health and Environmental Affairs Committee, each of which is convened as necessary.

The Company currently operates a corporate disclosure and insider trading policy which applies to the Directors and certain employees of the Company. The Company has adopted, with effect from Admission, a revised corporate disclosure and insider trading policy for the Directors and certain employees which contains provisions appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules) and the Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with such policy.

24. GENERAL

24.1. Other than as disclosed in the Announcement, this document or as otherwise disclosed in the Public Record:

24.1.1. there have been no interruptions in the Company's business which may have or have had in the last twelve months a significant effect on the Company's financial position;

24.1.2. there are no significant investments by the Company under active consideration; and

24.1.3. the Directors are not aware of any exceptional factors which have influenced the Company's activities.

24.2. There are no other persons (excluding professional advisers otherwise disclosed in the Announcement and this Appendix or in the Public Record and trade suppliers) who have received, directly or indirectly, from the Company within the 12 months preceding the date of this document or with whom the Company has entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly from the Company on or after Admission fees or securities in the Company or any other benefit, with a value of £10,000 or more at the date of Admission, nor has it made any such payments aggregating over £10,000 to any government or regulatory authority or similar body in respect of its licences other than the following payments made in respect of the DETI Prospecting Licences and the CEC Mining Lease Option Agreements:

24.2.1. Under the CEC Mining Lease Option Agreement in respect of DG1, DGL paid the additional option fee of £10,000 (Payment of £10,000 made August 8, 2013) to the CEC to secure the 2 (two) year extension of the term. (It had already paid the option fee of £10,000 (Payment of £5,000 made January 19, 2010 and of £5,000 on February 4, 2011) in respect of the initial term of the CEC option in respect of DG1.)

24.2.2. Under the CEC Mining Lease Option Agreement in respect of DG2, DGL paid the additional option fee of £10,000 (Payment of £10,000 made August 8, 2013) to the CEC to secure the 2 (two) year extension of the term. (It had already paid the option fee of £10,000 (Payment of £5,000 made January 19, 2010 and of £5,000 made on February 4, 2011) in respect of the initial term of the CEC option in respect of DG2.)

24.2.3. Under the CEC Mining Lease Option Agreement in respect of DG3, DGL paid the option fee of £10,000 to the CEC. Payment of £5,000 made on June 11, 2010. Payment of £10,000 made December 6, 2012.

24.2.4. Under the CEC Mining Lease Option Agreement in respect of DG4, DGL paid the option fee of £10,000 to the CEC. Payment of £5,000 made on Jun 11, 2010. Payment of £10,000 made December 6, 2012.

24.2.5. Payments under DETI Licence in respect of DG1: June 30, 2010 £2,366.76; August 3, 2011 £300.00; August 8, 2013 £450.00; November 15, 2013 £2,299.37.

24.2.6. Payments under DETI Licence in respect of DG2: June 30, 2010 £2,366.76; August 3, 2011 £300.00; August 8, 2013 £450.00; November 15, 2013 £1,504.27.

24.2.7. Payments under DETI Licence in respect of DG3: January 19, 2010 £450.00; March 3, 2011 £450.00; April 22, 2011 £2,366.76; February 1, 2012 £2,470.55; November 22, 2012 £300.00.

24.2.8. Payments under DETI Licence in respect of DG4: January 19, 2010 £450.00; March 3, 2011 £450.00; April 22, 2011 £2,366.76; February 1, 2012 £2,470.55; November 22, 2012 £300.00.

24.3. The Company's accounting reference date is 31 December. KPMG LLP are, and have been the auditors of the Company since its incorporation on March 27, 2009. KPMG LLP has given

and has not withdrawn their written consent to the inclusion in this Appendix of references to their name in the form and context in which it appears.

24.4. Canaccord has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.

24.5. The Competent Person has given and has not withdrawn their written consent to the inclusion in this Appendix of references to their name in the form and context in which it appears.

24.6. The Competent Person has confirmed to the Company and Canaccord that there has been no material change of circumstances or available information since the date of the Technical Report.

24.7. Tim Warman, P.Geo., President of the Company, is a "qualified person", as defined under the guidelines of NI 43-101, and has reviewed and approved the technical information contained in this Appendix. Tim Warman has given and has not withdrawn his written consent to the inclusion in this Appendix of references to his name in the form and context in which it appears.

24.8. To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the Announcement and Appendix other than the references to their name.

24.9. The costs, charges and expenses payable by the Company in connection with or incidental to Admission, including registration and stock exchange fees, legal fees and expenses are estimated to amount to approximately £600,000 excluding Value Added Tax.

24.10. Information equivalent to that required for an admission document which has not previously been made public (in consequence of the Company having its Common Shares traded on the TSX) is included in this Announcement or is available at www.dalradian.com or www.sedi.ca or www.sedar.com.

24.11. The information required by Rule 26 of the AIM Rules for Companies will be available at www.dalradian.com as from the date of the Announcement.

24.12. Where information has been sourced from third-party external sources, this information has been accurately reproduced and to the best of the knowledge and belief of the Company (having taken all reasonable care to ensure that such is the case) the information is in accordance with the facts and does not omit anything likely to render this information inaccurate or misleading.

24.13. Details of the rights attaching to Common Shares and copies of the Company's latest published accounts are available at the Company's website www.dalradian.com.

4 November 2014