

DALRADIAN RESOURCES

Management's Discussion and Analysis

For the three and nine months ended September 30, 2015

November 11, 2015

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HIGHLIGHTS

Highlights of the Third Quarter and Subsequent Period	
November 11, 2015	Completion of approximately 30,800 metres of infill drilling (out of a total expanded infill program of approximately 50,000 metres), 81 blasts, approximately 345 metres of underground development and 10 out of 12 underground drill bays
October 7, 2015	Closing of \$40 million financing
September 10, 2015	Infill drill results, including 1.24 metres Grading 100.01 g/t Gold and 6.48 metres Grading 10.85 g/t Gold
September 3, 2015	Corporate reorganization to reduce ongoing corporate costs
July 15, 2015	Infill drill results, including 4.40 metres grading 54.84 g/t gold and 5.79 metres grading 7.12 g/t gold at Curraghinalt

NOTES

All references to the Company or Dalradian also include references to the subsidiary of the Company, unless the context requires otherwise.

This management's discussion and analysis ("MD&A") should be read in conjunction with the Company's interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2015 and September 30, 2014 (the "Consolidated Financial Statements"), and the consolidated financial statements and related notes for the years ended December 31, 2014 and December 31, 2013 which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. This MD&A should also be read in conjunction with the Company's 2014 Annual Information Form ("AIF") which is available on SEDAR at www.sedar.com.

Eric Tremblay, P.Eng., Chief Operating Officer, is a "qualified person", as defined under the guidelines of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators, and has reviewed and approved the technical information contained in this MD&A.

For additional details on the Curraghinalt high-grade lode gold deposit ("Curraghinalt"), please refer to the Company's technical report dated October 30, 2014 and titled "An Updated Preliminary Economic Assessment of the Curraghinalt Gold Deposit, Tyrone Project, Northern Ireland" (the "PEA"), prepared by Mr. Tim Maunula, P.Geo., of T. Maunula & Associates Consulting Inc., Mr. Barnard Foo, P.Eng., Mr. Bogdan Damjanovic, P.Eng., Mr. Andre Villeneuve, P.Eng., and Mr. Christopher Jacobs, CEng MIMMM, of Micon International Limited ("Micon"), which is available on the Company's website and on SEDAR at www.sedar.com.

All amounts are in Canadian dollars unless otherwise noted.

This MD&A is dated November 11, 2015.

The Company is exploring and evaluating the Curraghinalt gold project while continuing to explore for other gold deposits at its properties in Northern Ireland. The Company is subject to a number of risks and uncertainties which are not discussed in this MD&A. To properly understand such risks, readers should refer to the Company's annual consolidated financial statements and AIF for the year ended December 31, 2014 under the headings "Financial Instruments and Risk Management" and "Risk Factors".

Caution Regarding Forward-Looking Information

This MD&A contains “forward looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its subsidiary and its mineral project, the future price of metals, test work and confirming results from work performed to date, the estimation of mineral resources, the realization of mineral resource estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage, the timing and possible outcome of pending regulatory matters and the realization of the expected economics of the Curraghinalt gold deposit. Often, but not always, forward looking statements can be identified by the use of words and phrases such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward looking statements are based on the opinions and estimates of management as of the date such statements are made and are based on various assumptions such as the continued political stability in Northern Ireland, that permits required for Dalradian’s operations will be obtained on a timely basis in order to permit Dalradian to proceed on schedule with its planned exploration and development programs, that skilled personnel and contractors will be available as Dalradian’s operations continue to grow, that the price of gold will be at levels that render Dalradian’s mineral project economic, that the Company will be able to continue raising the necessary capital to finance its operations and realize on mineral resource estimates and current mine plans and that the assumptions contained in the Company’s PEA (as defined herein) are accurate and complete.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Dalradian to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current and future exploration activities; the actual results of reclamation activities; conclusions of economic evaluations; meeting various expected cost estimates; changes in project parameters and/or economic assessments as plans continue to be refined; future prices of metals; possible variations of mineral grade or recovery rates; the risk that actual costs may exceed estimated costs; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; political instability; delays in obtaining governmental approvals or financing or in the completion of development or construction activities, as well as those factors discussed in the section entitled “Risk Factors” in this MD&A. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward looking statements, whether as a result of new information, future events or results, except as may be required by applicable securities laws. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward looking statements.

GOING FORWARD

The Company is engaged in a program of work to complete a Feasibility Study (“FS”) and an environmental and social impact assessment (“ESIA”) in support of a planning (permitting) application to build a mine at the Curraghinalt gold deposit in Northern Ireland, submission of which is expected in the second half of 2016. The FS is being supported by an expanded infill drilling program and underground exploration (the “Underground Program”). Work involved in completing the studies includes, but is not limited to:

- Managing third party, globally recognized, engineering firms to carry out the studies. The FS is being led by JDS Energy and Mining Inc. (“JDS”) as principal consultant, including contributions from SRK Consulting (Canada) Inc. (“SRK”), while the ESIA is being managed by SRK UK;
- Maintaining a team of approximately 50 employees, three main contractors and three consulting firms in Northern Ireland to carry out the work program;
- Completing 885 metres of underground development, including two test stopes;
- Completing approximately 50,000 metres of infill drilling; and
- Publishing an updated mineral resource estimate for Curraghinalt.

The infill drilling is essential in order to complete a new resource estimate to support the mine plan as part of the overall FS. It was expanded from a minimum of 30,000 metres to approximately 50,000 metres in order to meet the requirements of the FS. Development is proceeding, with 360 metres completed to date. Approximately 30,800 metres of the expanded infill drill program of approximately 50,000 metres is complete, with results from 50 holes for 14,204.5 metres announced to date.

By the end of 2015, the Company expects the following progress on the main deliverables for the work program:

- Underground Program – 65% complete, with approximately 300 metres of development remaining, including the two test stopes
- Infill drilling – approximately 75% complete on expanded program
- FS – 40% complete
- ESIA – 50% complete

In addition to the above, the Company is also engaged in:

- Land acquisition for the proposed mine site processing plant and associated facilities;
- Exploration, including regional sampling;
- Community and government relations, including presentations and site visits for key government and community groups as well as support of local environmental and community projects; and
- Environmental monitoring and testing in support of the Underground Program.

The budget for completion of the FS, Underground Program (including the expanded infill drilling program of approximately 50,000 metres), land acquisition, ESIA and submission of the planning application is £27.5 million (\$55 million), spanning the period from October 1, 2015 to December 31, 2016. This budget does not include corporate general and administrative costs. Increased levels of project spending compared to 2014 is expected to continue during the fourth quarter, as both field and study work continue and the majority of the land acquisition for the mine infrastructure is finalized.

DESCRIPTION OF BUSINESS

Incorporated on March 27, 2009, pursuant to the provisions of the *Business Corporations Act* (Ontario), the Company is involved in the acquisition, exploration and evaluation of mineral properties in Northern Ireland. The Company is listed on the Toronto Stock Exchange (“TSX”) under the stock symbol “DNA” and the AIM Market of the London Stock Exchange (“AIM”) under the symbol “DALR”. The Company’s head office is in Toronto, while operations are focused on Dalradian’s Curraghinalt gold project in Northern Ireland.

The Company, through its wholly-owned subsidiary, Dalradian Gold Limited (“DGL”), holds a 100% interest in prospecting licences and options, subject to royalties as described below, covering approximately 84,000 hectares, consisting of four contiguous areas (DG1, DG2, DG3 and DG4), located in counties Tyrone and Londonderry, Northern Ireland, United Kingdom. This approximately 84,000-hectare area is collectively known as the “Northern Ireland Properties”. There are two elements comprising this interest:

- The Crown Estate Commissioners (“CEC”), has entered into mining lease Option Agreements with DGL (the “CEC Mining Lease Option Agreements”) for gold and silver, covering the four contiguous areas; and
- The Department of Enterprise, Trade and Investment (“DETI”), a separate government body, has granted to DGL Prospecting Licences for base metals (the “DETI Prospecting Licences”) covering the same four areas.

The Company holds no other titles with respect to the Northern Ireland Properties other than the interests in land described under “Feasibility Study” below.

The current terms of the CEC Mining Lease Option Agreements for DG1 and DG2 expire December 31, 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. The CEC has renewed the Company’s option agreements in the past. Each renewal is for a term of two years. The CEC Mining Lease Option Agreements for DG3 and DG4 have been amended to expire April 23, 2016 while the CEC works to renew all four Mining Lease Option Agreements (DG1 through 4) with a common commencement date of January 1, 2016. Dalradian and the CEC are currently finalizing the terms of the new Mining Lease Option Agreements.

The DETI Prospecting Licences for DG1 and DG2 were reissued 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 second two-year extension in 2015 and run from April 24, 2015 to April 23, 2017. 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.

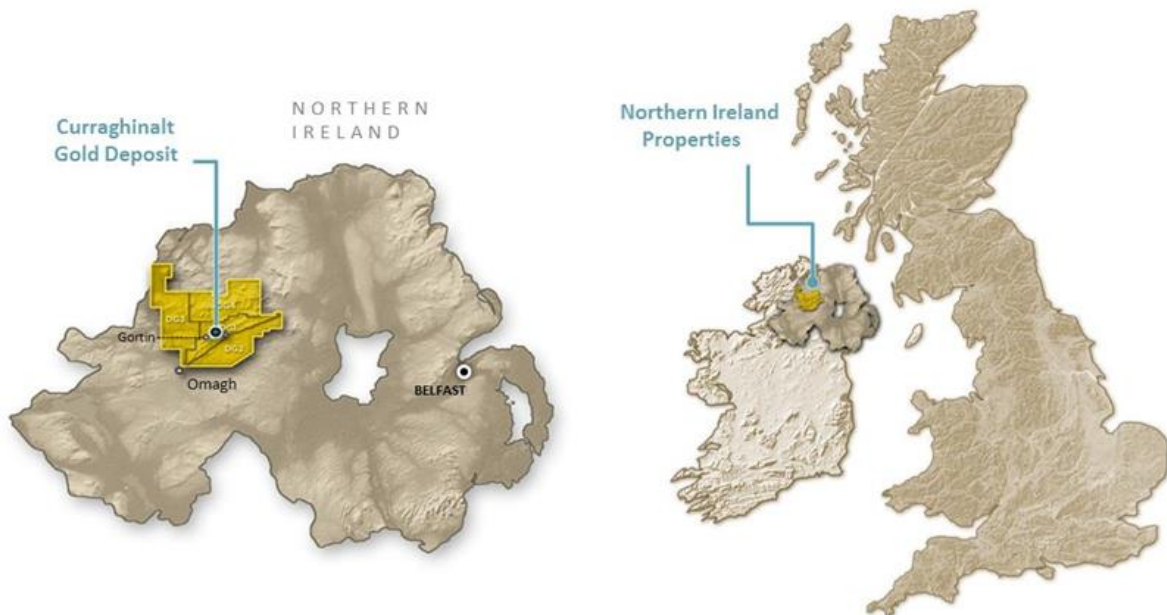
Pursuant to a royalty agreement dated December 13, 2004 (the “Royalty Agreement”), between DGL (formerly known as Ulster Minerals) and Minco Plc., a company duly incorporated under the laws of the Republic of Ireland, a 2% net smelter return royalty on a portion of the Northern Ireland Properties (as defined in the Royalty Agreement) is payable by DGL to Minco Plc., or its nominee. As provided in the CEC Mining Lease Option Agreements, a 4% royalty will be payable to the CEC upon production of gold and/or silver from the Northern Ireland Properties.

Within the Northern Ireland Properties, the Company’s main focus is on Curraghinalt, where it is completing a program of work supporting a FS and an ESIA in support of a planning application to build a mine. See “Northern Ireland Properties – Underground Program”, below.

NORTHERN IRELAND PROPERTIES

Overview

Central to DGL’s Northern Ireland Properties is the Curraghinalt gold deposit, a lode gold system consisting of a series of structurally controlled, high-grade gold bearing quartz-carbonate veins. Dalradian’s work to date during 2015 has focused primarily on the deposit, including infill drilling, progression of underground work and advancing the studies for the ESIA and the FS.



The most recent mineral resource estimate for Curraghinalt, prepared in accordance with NI 43-101 is summarized below:

Resource Category (Cut-off Grade of 5.0 g/t)	Curraghinalt Mineral Resources* (as at January 20, 2014)		
	Million Tonnes	Grade (g/t Au)	Contained Gold (ounces)
Measured	0.02	20.15	15,100
Indicated	2.98	10.34	989,000
Measured + Indicated	3.00	10.41	1,004,100
Inferred	8.01	9.67	2,487,700

* Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. For further information on the above mineral resource estimate please see the Company's PEA.

Curraghinalt Preliminary Economic Assessment

On October 31, 2014, the Company filed the updated PEA for the Curraghinalt deposit, which demonstrated positive economics for an underground mine producing an average of 162,000 ounces of gold per year over an 18-year mine life. The PEA was based on the January 20, 2014 resource estimate and is available on SEDAR at www.sedar.com. Per the "Feasibility" section immediately below, the Company and its consultants are preparing a more advanced engineering/economic study based on additional infill drilling and an updated mineral resource, which will replace the PEA.

Key highlights from the results of the PEA are in the table below (all figures in US\$):

KEY PEA DATA*	GOLD PRICE: US\$1,200/ounce	GOLD PRICE: US\$1,054/ounce
NPV with 8% discount rate (After-tax)	US\$504 million	US\$366 million
IRR (After-tax)	36.2%	29.9%
Average Annual Gold Production	162,000 ounces/year	
Processing Rate	1,700 tonnes/day	
Life of Mine	18 years	
Initial Capex (\$48M contingency)	US\$249 million	
Cash Costs	US\$485/ounce; US\$132/tonne	
Diluted Grade	9.3 g/t Au	
Gold Recovery	92%	

* Prepared by Micon. All dollars in the above table are quoted in US\$. The PEA is preliminary in nature, and is based on the January 20, 2014 mineral resource estimate. The PEA 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 PEA will be realized. US\$1,054 is the average gold price over the 10-year period preceding completion of the PEA.

Feasibility Study

Subsequent to the end of Q3 2015, Dalradian began work with JDS as principal consultant and including contributions from SRK on a FS, based on results from previous studies at a Pre-feasibility level.

The FS will include an economic assessment of the project and is proceeding on the basis of:

- mining primarily by longhole but with additional methods as required;
- mineral processing incorporating a flotation circuit;
- dry stack tailings; and
- approximately 50% of waste rock to be returned underground as paste backfill.

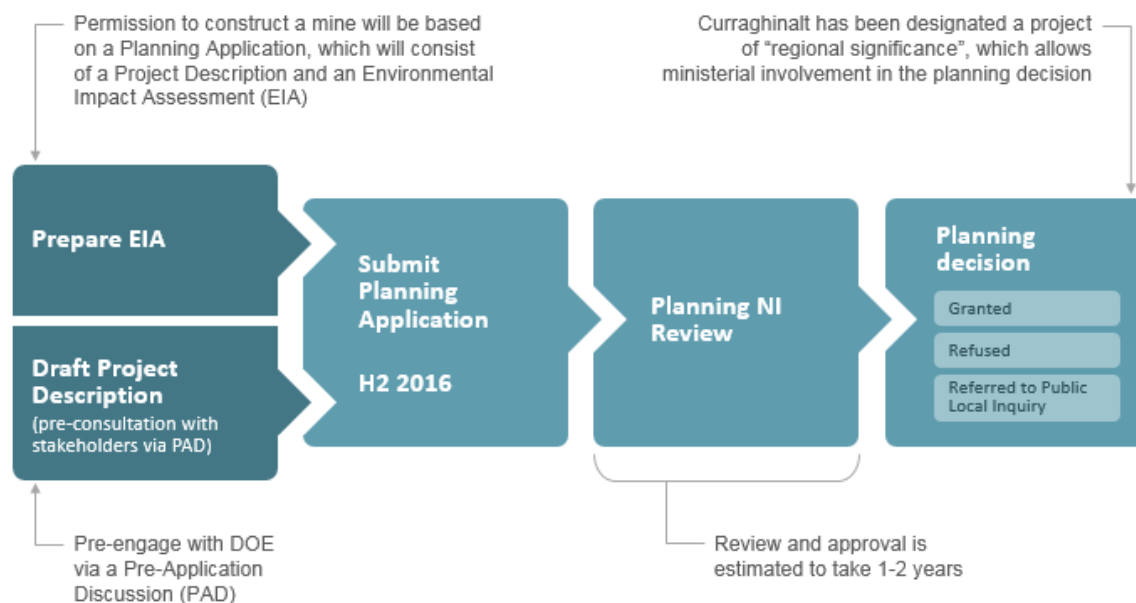
The FS is being supported by the Underground Program, including expanded infill drilling of approximately 50,000 metres. The FS depends on continued positive results from the infill drilling program.

During the third quarter, the Company purchased surface rights for a proposed mine site processing plant and associated facilities in proximity to the Curraghinalt gold deposit. An agreement for purchase of a second parcel was finalized subsequent to the end of Q3 2015. Approximately two-thirds of the estimated land required has now been secured, with additional land acquisitions targeted for the remainder of 2015.

Permitting

Three permits were required and have been obtained to complete the entire Underground Program: planning permission, a site discharge consent and an explosives storage licence. As part of its planning permission, the Company submitted and received approval from Northern Ireland regulators for a number of management plans governing items such as water, noise, traffic and dust.

Dalradian commenced an ESIA in Q4 of 2014, which is examining the potential impacts of a full mine build, as well as options for the elimination or mitigation of such impacts. SRK Consulting UK Limited is the environmental consultant for preparation of the ESIA. The ESIA report, together with a project description which is a summary of the FS (the "Project Description"), will form the basis of a Planning Application for the full mine build anticipated to be submitted to the Northern Ireland Planning Service (Planning NI) during the second half of 2016, assuming positive results for both the FS and ESIA. During 2016, spending on permitting is expected to increase as the ESIA is being completed, the Planning Application is drafted and submitted and additional site specific studies are completed.



Dalradian continues to gather environmental baseline data to be used in the preparation of an ESIA and, in addition, more detailed site-specific environmental studies are ongoing. Dalradian and SRK Consulting UK Limited have formulated a plan and schedule for stakeholder engagement over the remainder of 2015 and into 2016 in order to receive government agency, community and other stakeholder input into the Project Description and ESIA. Dalradian does not currently have a permit for mining at Curraghinalt.

As part of the Planning Application, Dalradian committed to establishing and supporting an independent Community-Based Monitoring Committee (the “CMC”) to review the environmental, health and safety performance during the Underground Program at Curraghinalt. The CMC was established during Q3 2014. The insights provided by community stakeholders at this stage of development will be helpful in ensuring that Dalradian’s long-term plans reflect the perspectives of local communities.

Stakeholder Relations

Dalradian holds regular community and government stakeholder meetings and has strong local support for its operations. During March and April 2015, a community survey was carried out with more than 600 households in the area of influence of Curraghinalt in order to measure perceptions of the Curraghinalt gold project and assess the best methods for stakeholder engagement going forward. Surveys were returned from 39% of the households, with final results showing that 78% of community members feel positively about a mine in their area, 91% feel the area could benefit from a mine and 82% feel DGL is doing a good job keeping the community informed.

Government support is evidenced by the announcement on August 19, 2014 of two grants from Invest Northern Ireland totaling £326,000 to support employment and training at Curraghinalt. During Q2 2015, the First Minister of Northern Ireland, Peter Robinson, visited the project. This support is a direct result of Dalradian’s responsible management of the economic, social and environmental aspects of the Curraghinalt gold project.

Exploration

Exploration expenditures (for exploration outside of the Curraghinalt gold deposit) during the three months ended September 30, 2015 were \$1.3 million compared with \$0.3 million in the comparable period of 2014. For the nine month periods ending September 30, expenditures were \$1.3 million in 2015 compared with \$1.1 million in 2014. For Q1 2015, \$0.9 million of expenditures originally included as exploration expenditures have been reclassified into asset evaluation since these expenditures were for drilling to support the PFS.

The main focus for the exploration group during Q3 2015 was regional exploration. Exploration expenditures are expected to decrease in Q4 compared to Q3 levels as a result of lower planned activities.

Underground Program

In order to support engineering studies and mining planning, the Company launched the Underground Program in September 2014, using FP McCann as its surface works contractor and QME Limited, as underground contractor. 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) assess underground geotechnical and hydro-geological conditions; (v) produce samples for offsite metallurgical testing and (vi) test mining methods. The purpose of the Underground Program is to provide data for the FS, which will support permitting of an operating mine.

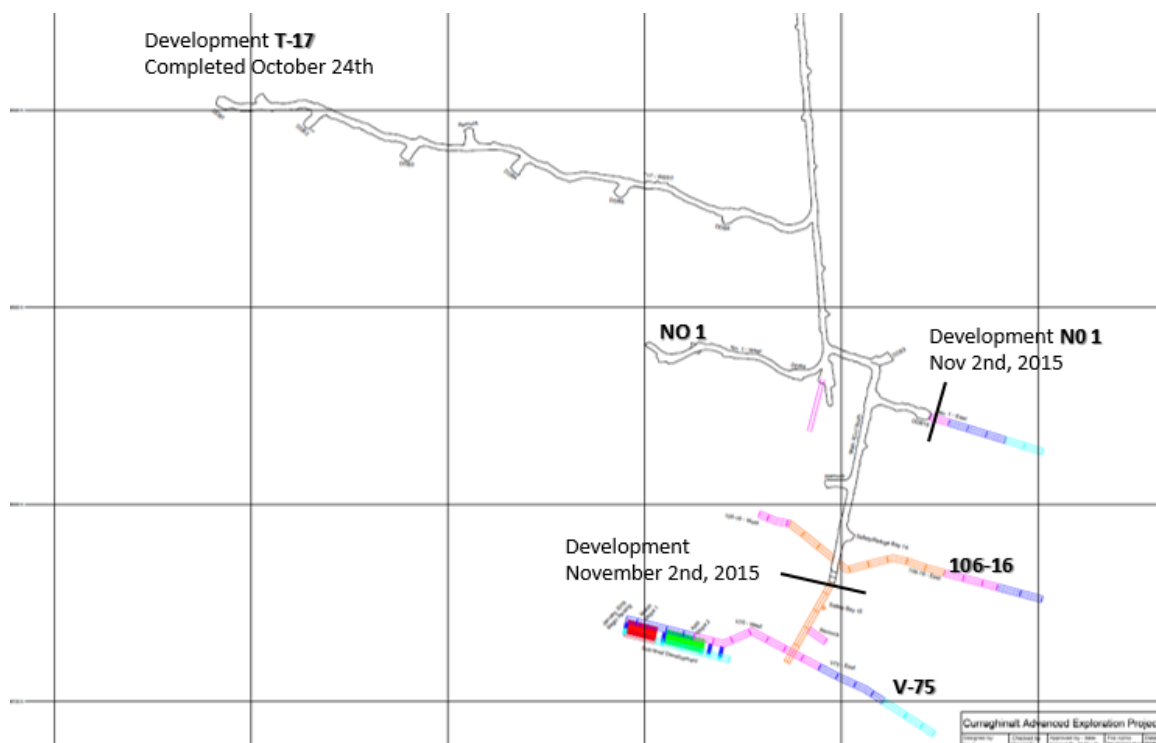
Spending on asset evaluation, which includes development planning, permitting and other activities associated with the Underground Program, in the three months ended September 30, 2015 was \$7.2 million compared with \$1.2 million during the comparable period in 2014 due to an increase in on-site activities associated with the Underground Program, including underground development and infill drilling. This trend is also evident in asset evaluation expenditures for the nine months ended September 30, which were \$22.1 million during 2015 compared with \$3.0 million in 2014. Increased spending compared to 2014 is expected

to continue through the balance of 2015, as Dalradian completes the bulk of the Underground Program, with the test stoping to be completed in Q2 2016.

The Underground Program will extend the underground workings by approximately 885 metres in total in order to access, define, sample and test the mineralized material from the Curraghinalt deposit. This development includes approximately 250 metres of access drifting designed to crosscut two southern resource veins and provide drilling platforms for further southward exploration and expansion. As well, four resource veins will be drifted on for a planned total of 545 metres of on-vein development. Additionally, stope development will consist of 40 metres of raise and 50 metres of sub level development in two stopes. These works constitute a doubling in linear development underground at Curraghinalt, adding to the development that existed prior to the beginning of the Underground Program.

To date, approximately 345 metres of development and 81 blasts have been completed, including all of the planned development in mineralized material in the T-17 vein and most of the planned development in mineralized material in the No. 1 vein. The cross-cut has now reached the 106-16 vein. The underground development program is expected to be completed in April 2016, including the two test stopes, which will yield important information on dilution, ground conditions, mining methods and sequencing.

The figure below is a plan view of the underground development, with completed development (on T17 vein and No 1 vein, including underground drill bays) shown in black and all other colours showing planned development during 2015 and into 2016 including the two test stopes on the V-75 vein.



The underground development includes 12 underground drill bays to support the infill drilling program. Ten drill bays have been completed to date, with two underground drill rigs turning. The expanded infill drilling program of approximately 50,000 metres was increased from a minimum of 30,000 metres and has the goal of maximizing resource ounces in the Measured and Indicated categories that can be included in the mine plan. To date, approximately 30,800 metres of the approximately 50,000 metre expanded infill program have been drilled: more than 13,000 metres from surface and over 17,000 metres from underground.

OVERVIEW OF SELECTED INFORMATION FROM THE FINANCIAL STATEMENTS

The following table sets forth selected data for the three and nine months ended September 30, 2015 and 2014:

	Three months ended Sept 30, 2015	Three months ended Sept 30, 2014	Nine months ended Sept 30, 2015	Nine months ended Sept 30, 2014
Operating expenses:				
Salaries and related benefits	\$ 1,231,245	\$ 659,139	\$ 2,775,842	\$ 1,954,736
Professional fees and consulting	328,930	158,308	553,288	450,441
Share-based payments	363,759	237,157	968,932	860,427
Investor relations and general travel	307,511	165,046	874,823	524,525
Office, regulatory and general	159,507	242,910	571,947	538,708
Amortization	24,243	38,943	101,250	126,852
Foreign exchange gain	(321,333)	(246,569)	(1,017,547)	(248,619)
Interest and bank charges	3,092	2,277	5,907	7,452
	<u>2,096,954</u>	<u>1,257,211</u>	<u>4,834,442</u>	<u>4,214,522</u>
Interest income and other	34,153	76,076	167,204	139,405
Loss and comprehensive loss for the period	<u>\$ (2,062,801)</u>	<u>\$ (1,181,135)</u>	<u>\$ (4,667,238)</u>	<u>\$ (4,075,117)</u>
Loss per share - basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>

The consolidated loss and comprehensive loss for the nine months ended September 30, 2015 of \$4,667,238, was higher than the same period in 2014 of \$4,075,117, primarily due to increased salary and related benefits, including severance payments associated with a corporate restructuring, investor relations, share-based payments and office, regulatory and general partially offset by a larger foreign exchange gain as a result of the Company holding approximately \$4 million (Canadian equivalent) in pound sterling and the strengthening of the pound sterling against the Canadian dollar during the year 2015.

As at September 30, 2015, the Company had total assets of \$104,627,918 (2014 - \$83,482,277), and working capital of \$20,250,824 (2014 - \$37,829,300).

Results of Operations for the Three Months Ended September 30, 2015, compared to the Three Months Ended September 30, 2014

Salaries and related benefits expense for the three months ended September 30, 2015 of \$1,231,245 was higher compared with the same period in 2014 of \$659,139 primarily due to higher compensation costs related to severance payments for a corporate restructuring announced on September 3, 2015.

Professional fees and consulting expense for the three months ended September 30, 2015 of \$328,930, increased compared with the same period in 2014 of \$158,308, primarily due to higher technical consulting services.

Share-based payments expense for the three months ended September 30, 2015 of \$363,759 was higher compared with the same period in 2014 of \$237,157, primarily due to higher amortization expense for share options granted in the third quarter of 2015.

Investor relations and general travel expense for the three months ended September 30, 2015 of \$307,511 rose compared with the same period in 2014 of \$165,046 primarily due to expanded professional services related to the listing on the AIM market of the London Stock Exchange.

Office, regulatory and general expense for the three months ended September 30, 2015 of \$159,507, decreased compared with the same period in 2014 of \$242,910, primarily due to the absence of TSX fees in Q3 2015 compared to Q3 of 2014, which included a financing with associated TSX listing fees.

Foreign exchange gain for the three months ended September 30, 2015 was \$321,333 compared with foreign exchange gain of \$246,569 for the same period in 2014, primarily as a result of the Company holding

approximately \$4 million (Canadian equivalent) in pound sterling and the strengthening of the pound sterling against the Canadian dollar during 2015.

Interest income and other for the three months ended September 30, 2015 of \$34,153, was lower compared with the same period in 2014 of \$76,076, due to lower average cash balances in the third quarter of 2015.

Results of Operations for the Nine Months Ended September 30, 2015, compared to the Nine Months Ended September 30, 2014

Salaries and related benefits expense for the nine months ended September 30, 2015 of \$2,775,842, was higher compared with the same period in 2014 of \$1,954,736, primarily due to an employment incentive award during Q1 2015 and severance payments under a corporate restructuring during Q3 2015.

Professional fees and consulting expense for the nine months ended September 30, 2015 of \$553,288, increased compared with the same period in 2014 of \$450,441, primarily due to higher technical consulting services.

Share-based payments expense for the nine months ended September 30, 2014 of \$968,932, was higher compared with the same period in 2014 of \$860,427, primarily due to higher amortization cost as a result of share options granted during the year.

Investor relations and general travel expense for the nine months ended September 30, 2015 of \$874,823 have increased compared with the same period in 2014 of \$524,525 primarily due to an increased number of site visits and a higher level of activity at site requiring more oversight and increased professional services related to the listing on the AIM market of the London Stock Exchange.

Office, regulatory and general expense for the nine months ended September 30, 2015 of \$571,947, increased compared with the same period in 2014 of \$538,708, primarily due to increased listing fees with the addition of a second listing (the AIM market of the London Stock Exchange) offset by lower TSX listing fees associated with financings during 2015 because of a lack of comparable financing activity.

Foreign exchange gain for the nine months ended September 30, 2015 was \$1,017,547 compared with foreign exchange gain of \$248,619 for the same period in 2014, primarily as a result of the Company holding a cash balance in pound sterling and the strengthening of the pound sterling against the Canadian dollar during 2015.

Interest income and other for the nine months ended September 30, 2015 of \$167,204, was higher compared with the same period in 2014 of \$139,405, due to larger average cash balances in 2015.

Summary of Quarterly Results

The following table sets forth selected consolidated financial information for each of the Company's eight most recently completed quarters:

	Three months ended			
	Sep. 30, 2015	Jun. 30, 2015	Mar. 31, 2015	Dec. 31, 2014
Interest income and other	\$ 34,153	\$ 68,964	\$ 64,087	\$ 63,836
Net loss	(2,062,801)	(1,199,727)	(1,404,710)	(2,769,768)
Net loss per common share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.02)
Cash and cash equivalents	24,367,464	36,134,380	44,661,606	29,776,872
Other current assets	1,946,088	2,360,975	2,756,158	3,210,337
Restoration deposit	1,257,218	1,218,093	1,168,900	1,120,870
Equipment	4,225,102	429,314	429,299	408,069
Exploration and evaluation assets	72,832,046	64,143,252	54,681,594	49,085,740
Total Assets	\$ 104,627,918	\$ 104,286,014	\$ 103,697,557	\$ 83,601,888
Total shareholders' equity	\$ 97,310,062	\$ 98,472,417	\$ 99,343,124	\$ 80,270,103

	Three months ended			
	Sep. 30, 2014	Jun. 30, 2014	Mar. 31, 2014	Dec. 31, 2013
Interest income and other	\$ 76,076	\$ 36,884	\$ 26,445	\$ 18,535
Net loss	(1,181,135)	(1,699,124)	(1,194,858)	(1,297,667)
Net loss per common share (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.01)
Cash and cash equivalents	37,015,533	14,711,884	17,242,922	6,855,035
Other current assets	1,510,998	746,171	731,945	680,627
Restoration deposit	-	-	-	-
Equipment	488,750	560,595	572,622	671,978
Exploration and evaluation assets	44,466,996	42,931,726	41,596,306	40,349,082
Total Assets	\$ 83,482,277	\$ 58,950,376	\$ 60,143,795	\$ 48,556,722
Total shareholders' equity	\$ 82,785,046	\$ 58,194,485	\$ 59,417,346	\$ 47,843,645

As a company with no revenues and focused on advancing mineral properties, fluctuations in quarterly results are mainly due to cycles of spending on properties and financing future activities. Cash balances rose in Q1 and Q3 of 2014 and further increased in Q1 2015 through financings and were reduced quarterly depending on exploration and evaluation activities. Quarters with higher net losses typically involved a higher level of corporate activity, usually related to marketing the Company or higher share-based payments.

FINANCIAL CONDITION, CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

The adequacy of the Company's capital structure is monitored on an ongoing basis and adjusted as necessary according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, adjusting spending, disposing of assets or acquiring debt.

The Company is dependent on issuing equity or other forms of financing to complete programs associated with its exploration and evaluation of properties. Dalradian is not in commercial production on any of its resource properties and accordingly, it does not generate cash from operations. Dalradian's only source of income has been interest earned from funds on deposit.

During 2014, the Company closed three financings for total gross proceeds of \$41,250,750: a bought deal prospectus offering in February for gross proceeds of \$13,886,250 (the "February 2014 Financing") and a bought deal prospectus offering and a non-brokered private placement, (collectively, the "July 2014 Financings"), for total gross proceeds of \$27,364,500.

The February 2014 Financing consisted of 19,837,500 units of the Company at a price of \$0.70 per unit for gross proceeds of \$13,886,250. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant was exercisable into one common share of the Company at an exercise price of \$0.90 until February 19, 2015.

The July 2014 bought deal prospectus financing consisted of 19,205,000 units of the Company at a price of \$0.90 per unit, for gross proceeds of \$17,284,500. Concurrent with the closing of the bought deal prospectus financing, the Company also completed a non-brokered private placement of 11,200,000 units (on the same terms as the units issued in the bought deal prospectus financing), for aggregate gross proceeds of \$10,080,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$1.50 until July 31, 2017.

During the nine months ended September 30, 2015, the Company received gross proceeds of \$20,830,700 through: (a) a private placement financing with Ross Beaty for gross proceeds of \$11,300,400 (the "February 2015 Financing"); (b) the exercise of 9,581,650 warrants for gross proceeds of \$8,623,485 (97% of the total warrants issued in the February 2014 Financing); and (c) the exercise of 1,272,072 broker warrants issued in the February and July 2014 Financings for gross proceeds of \$906,815.

The February 2015 Financing consisted of 12,556,000 units at a price of \$0.90 per unit. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share of the Company at any time up to February 9, 2017 at an exercise price of \$1.15.

Dalradian's cash and cash equivalents as at September 30, 2015 were \$24,367,464, compared with \$37,015,533 as at September 30, 2014.

Subsequent to the end of the third quarter, on October 7, 2015, the Company closed a bought deal offering of 50,312,500 units at a price of \$0.80 per unit, for gross proceeds of \$40,250,000 (the "October 2015 Financing"). Each unit consisted of one common share of the Company and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of the Company at an exercise price of \$1.04 until October 7, 2017.

Liquidity

The Company primarily finances its activities by raising capital through the issuance of equity. The Company's ability to fund currently planned exploration, evaluation and development planning activities, acquire additional mineral properties, maintain operations and meet its existing obligations is conditional on its ability to secure financing when required. The Company will also have to raise financing in the future to develop a mine. Global commodity markets and, in particular, the price of gold, remain volatile and uncertain, which could lead to difficulties in raising funds.

Dalradian's net working capital position at September 30, 2015 was approximately \$20.3 million against an estimated budget for completion of the Underground Program (including an expanded infill drill program of approximately 50,000 metres), FS, land acquisition, ESIA, Planning Application and other related expenditures of approximately £27.5 million (\$55 million) spanning the period from October 1, 2015 to December 31, 2016. The revised budget does not include corporate general and administrative costs. Subsequent to the end of the third quarter of 2015, the Company closed the October 2015 Financing for gross proceeds of \$40,250,000 to allow for completion of this work program (see details in "Capital Resources" above).

Dalradian's net working capital position at September 30, 2015 was approximately \$20.3 million. The majority of accounts payable and accrued liabilities relate to trade payables incurred in the normal course of operations.

During the nine months ended September 30, 2015, the Company raised gross proceeds of \$20,830,700 through the February 2015 Financing and exercise of warrants and broker warrants (see details in "Capital Resources" above).

The net proceeds of the Company's 2014 financings (see details in – "Capital Resources" above) have been and will be used substantially as set out in the Company's short form prospectuses dated February 12, 2014 and July 24, 2014, which are available on SEDAR at www.sedar.com.

Approximately \$31 million of the net proceeds from the Company's 2014 financings was forecast to be applied to the Underground Program at the Curraghinalt gold project, including infill drilling. Approximately \$29 million (£14 million) in total has been spent from September 1, 2014 to September 30, 2015 on the Underground Program, including \$3 million on infill drilling, per the planned allocation, which is now fully spent. In addition, approximately \$2 million of the net proceeds of the July 2014 Financings was allocated to mine planning and permitting and has now been spent. An additional \$6.4 million of the net proceeds of the Company's 2014 financings was allocated to general working capital.

Contractual Obligations

The Company may be subject to various contingent liabilities that occur in the normal course of operations.

At September 30, 2015, the Company had the following commitments for operating leases and service agreements for the next five fiscal years:

	<u>Total</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Operating leases.....	\$ 658,058	\$ 94,010	\$ 302,859	\$ 134,328	\$ 105,969	\$ 20,892
Purchase obligations.....	1,113,785	1,113,785	-	-	-	-
Total	<u>\$ 1,771,843</u>	<u>\$ 1,207,795</u>	<u>\$ 302,859</u>	<u>\$ 134,328</u>	<u>\$ 105,969</u>	<u>\$ 20,892</u>

Operating leases represent lease agreements for office space, a storage facility, and equipment in Toronto and Northern Ireland.

On May 15, 2015, the Company entered into a lease agreement for office space in Toronto, Canada. The agreement commenced on May 15, 2015 and expires on September 30, 2018. Payments are included in the above commitment table.

Purchase obligations included in the commitment table above relate to the following agreements:

- DGL entered into an agreement dated January 5, 2015 with Major Drilling (NI) Limited for surface and underground diamond drilling at the Curraghinalt gold project in Northern Ireland in support of the Company's PFS, amended on October 1, 2015 to a FS. Included in the above commitment table are estimated costs related to terminating this contract.
- Other purchase obligations include estimated contract termination costs at September 30, 2015 under various service agreements related to the Underground Program at the Curraghinalt gold project in Northern Ireland. Details of these contracts were disclosed in note 14 of the Company's audited consolidated financial statements for the year ended December 31, 2014.

Off-balance Sheet Arrangements

Dalradian does not have any off-balance sheet arrangements.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value

Cash and cash equivalents and restoration deposits are measured at fair value using level 1 inputs per the fair value hierarchy.

The carrying values of amounts receivable and accounts payable and accrued liabilities reflected in the consolidated balance sheet approximate fair value because of the short-term maturity of these financial instruments.

(b) Commodity price risk

Dalradian's ability to develop its properties and its future profitability are directly related to the market price of gold. The price of gold is affected by numerous factors, such as global consumption and demand for gold, international economic and political trends, fluctuations in value of the U.S. dollar and other currencies, interest rates and inflation.

(c) Liquidity risk

Liquidity risk includes the risk that, as a result of Dalradian's operational liquidity requirements:

- (i) Dalradian will not have sufficient funds to settle a transaction on the due date;
- (ii) Dalradian will be forced to sell financial assets at a value that is less than what they are worth; or
- (iii) Dalradian may be unable to settle liabilities or recover a financial asset at all.

The ultimate responsibility for liquidity risk rests with the Board of Directors of the Company, which has built an appropriate liquidity risk management framework for management of the Company's short, medium and long-term funding and liquidity requirements. The Company's cash requirements and balances are projected based on estimated future requirements. The Company plans to meet these requirements through a mix of available funds and future financings, which may include, but are not necessarily limited to, equity financing, sale of or mining of assets, and debt financing. Continuing operations are dependent on the Company's ability in the near term to access sufficient capital to complete the Company's exploration and development activities, identify commercial gold reserves and to ultimately have profitable operations. Accounts payable and accrued liabilities at September 30, 2015 all have contractual maturities of less than 90 days and are subject to normal trade terms. The Company had sufficient funds on hand at September 30, 2015 to settle these liabilities.

(d) Credit risk

When a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the consolidated balance sheet date, credit risk arises. The majority of the Company's financial assets are cash and cash equivalents, restoration deposit and amounts receivable. Management considers the credit risk on cash and cash equivalents to be limited because the counterparties are established well-known financial institutions. During the period ended September 30, 2015, no amounts receivable were past due. Consequently no allowances or bad debts were required on the amounts receivable. The maximum exposure to credit risk is represented by the carrying amount of the cash and cash equivalents, restoration deposit and amounts receivable on the consolidated balance sheet.

(e) Foreign currency risk

A variation in the exchange rates between the Canadian dollar and foreign currencies could affect the Company's operating and financial results. The Company is exposed to foreign currency risk as the Company holds cash in foreign currencies and has other financial assets and liabilities that are denominated in foreign currencies. The Company's management monitors the exchange rate fluctuations on a regular basis and does not use currency derivative instruments to manage its exposure to foreign currency fluctuations.

At September 30, 2015, the carrying amounts of Dalradian's foreign currency-denominated net financial assets are approximately as follows:

	Net financial assets (liabilities)	Effect of 10% change in exchange rate on loss
U.S. dollar.....	\$ (1,002,246)	\$ (100,225)
Euro.....	(62,408)	(6,241)
Pound sterling.....	1,118,149	111,815
Australian dollar	(9,927)	(993)
	<u>\$ 43,568</u>	<u>\$ 4,356</u>

OUTSTANDING SHARE DATA

The following table summarizes the capitalization of the Company as at September 30, 2015:

Common Shares		<u>Number of Common Shares</u> 163,890,205
Warrants		
Expiry	Exercise Price	Number of Common Shares Issuable
Expiring January 1, 2016	2.17	30,000
Expiring July 31, 2016.....	0.90	1,742,478
Expiring January 1, 2017	1.81	40,000
Expiring February 9, 2017.....	1.15	6,278,000
Expiring July 31, 2017.....	1.50	15,202,499
Expiring January 1, 2018	1.50	50,000
Total warrants.....		<u>23,342,977</u>
Options		
Expiry¹	Exercise Price	Number of Common Shares Issuable
Expiring August 10, 2015	0.25	400,000
Expiring August 10, 2015	0.75	1,800,000
Expiring March 2, 2016	0.71	225,000
Expiring May 27, 2016	1.60	250,000
Expiring November 2, 2016.....	2.20	70,000
Expiring April 23, 2017	1.10	50,000
Expiring May 14, 2017	0.97	50,000
Expiring June 30, 2017	0.98	150,000
Expiring June 30, 2017	1.11	150,000
Expiring August 7, 2017	1.11	550,000
Expiring August 27, 2017.....	0.98	300,000
Expiring August 27, 2017	1.02	500,000
Expiring February 11, 2018	1.30	35,000
Expiring July 9, 2018.....	0.71	500,000
Expiring February 14, 2019.....	0.85	300,000
Expiring June 25, 2019	0.98	1,450,000
Expiring September 25, 2019.....	0.71	140,000
Expiring December 10, 2019.....	0.67	90,000
Expiring March 2, 2020	0.78	750,000
Expiring April 1, 2020.....	0.87	75,000
Expiring April 8, 2020.....	0.92	300,000
Expiring August 20, 2020.....	0.90	500,000
Expiring August 21, 2020.....	0.91	100,000
Total options		<u>8,735,000</u>
Restricted Share Units ("RSUs")	\$ -	<u>1,070,000</u>
Total fully diluted		<u>197,038,182</u>

¹ Under the Company's option plan, in the event that the expiry of any option falls within, or within two days of, a trading blackout period imposed by the Company (the "Blackout Period"), the expiry date of such options shall be automatically extended to the 10th business day following the end of the Blackout Period.

As at November 11, 2015, and following on the closing of the October 2015 Financing, the Company has 214,202,705 common shares, 73,655,477 warrants, 8,735,000 options, and 1,070,000 RSUs issued and outstanding. This amounts to 297,663,182 common shares outstanding on a fully-diluted basis.

FINANCIAL STATEMENTS – CRITICAL ACCOUNTING ESTIMATES

The Consolidated Financial Statements of the Company are prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting*. The significant accounting policies of the Company are described in note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2014.

Preparation of the Consolidated Financial Statements requires management to make estimates and assumptions. Measurement uncertainties are described in the Company's audited consolidated financial statements for the year ended December 31, 2014. There has been no change in the nature of critical accounting estimates from the year ended December 31, 2014.

RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTION OF NEW AND AMENDED IFRS STANDARDS

The following new IFRS standard is issued but not yet effective for the Company.

IFRS 9 *Financial Instruments*

On July 24, 2014, the IASB issued the completed IFRS 9, *Financial Instruments*, (IFRS 9 (2014)).

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. The final standard also amends the impairment model by introducing a new 'expected credit loss' model for calculating impairment, and new general hedge accounting requirements. IFRS 9 is to come into effect on January 1, 2018 with early adoption permitted.

The Company intends to adopt IFRS 9 (2014) in its financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2014. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that, as at the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods. There have been no material changes to the Company's disclosure controls and procedures and their design remains effective.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

INDUSTRY AND ECONOMIC FACTORS AFFECTING PERFORMANCE

Dalradian is a mineral development and exploration entity, whose activities include the selection, acquisition, exploration, evaluation and development of mineral properties. Its current focus is to develop the Curraghinalt gold deposit. The future performance of Dalradian is largely tied to the development of its property interests and other prospective business opportunities and the overall financial markets. Financial markets for mineral companies are currently volatile, reflecting ongoing concerns about the stability of commodity prices. The Company's financial success will be dependent upon the extent to which it can achieve milestones in determining the economic viability of the deposits in its portfolio or of any new discoveries that it may make. The development of such assets may take years to complete and the resulting revenue, if any, is difficult to determine with any certainty. To date, Dalradian has not produced any revenue. The sales value of any minerals discovered by Dalradian is largely dependent upon factors beyond its control, such as the market value of the commodities produced. There are significant uncertainties regarding the prices of precious metals and the availability of equity financing for the purposes of exploration and development. Global commodity markets remain volatile and uncertain which has contributed to difficulties in raising equity and borrowing funds. As a result, the Company may have difficulties raising equity financing for the purposes of exploration and development, particularly without excessively diluting the interests of existing shareholders. These trends may limit the ability of Dalradian to develop and/or further explore its current mineral exploration properties and any other property interests that may be acquired in the future.

RISK FACTORS

The Company is subject to a number of risks and uncertainties which are not discussed in this MD&A. To properly understand such risks, readers should refer to the Company's annual consolidated financial statements and AIF for the year ended December 31, 2014 under the headings "Financial Instruments and Risk Management" and "Risk Factors", which are incorporated by reference into this MD&A. These documents are available on SEDAR (www.sedar.com).

ADDITIONAL INFORMATION

Additional information regarding the Company, including the AIF, can be found at www.dalradian.com and www.sedar.com.