DALRADIAN
RESOURCES

Management's Discussion and Analysis

For the three months ended March 31, 2016
and March 31, 2015

May 4, 2016

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HIGHLIGHTS

Highlights of Q1 2016 and Subsequent Period	
May 4, 2016	Completion of infill drilling program of 51,479 metres, 171 blasts and approximately 790 metres of underground development
April 6, 2016	Test stoping program details released
April 12, 2016 and February 18, 2016	High grade infill drill results reported from 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 unaudited interim condensed consolidated financial statements and related notes for the three months ended March 31, 2016 and March 31, 2015 (the "Consolidated Financial Statements"), and the audited consolidated financial statements and related notes for the years ended December 31, 2015 and December 31, 2014 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 2015 Annual Information Form ("AIF") dated March 23, 2016, which is available on SEDAR at www.sedar.com.

Eric Tremblay, P.Eng., Chief Operating Officer, and Greg Hope, MAIG, Consulting Chief Geologist with Dalradian are the qualified persons, 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 have 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 May 4, 2016.

The Company is exploring and evaluating the Curraghinalt gold deposit 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, 2015 under the headings "Financial Instruments and Risk Management" and "Risk Factors", respectively, which are incorporated by reference into this MD&A. These documents are available on SEDAR (www.sedar.com).

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, that the assumptions contained in the Company’s PEA (as defined herein) are accurate and complete, that results from the infill drilling program continue to be positive, that the mineral resource update is positive, that the results of the ESIA and the FS (both as defined herein) will be positive and that a permitting application for mine construction will be approved.

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 infill drilling program (completed in February 2016) 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: the FS is being led by JDS Energy and Mining Inc. (“JDS”) as principal consultant, including contributions from SRK Consulting (Canada) Inc. (“SRK”) such as updating the mineral resource estimate, while the ESIA is being managed by SRK Consulting UK Limited (“SRK UK”);
- Maintaining a team of approximately 40 employees, one main contractor and three consulting firms in Northern Ireland to carry out the work program;
- Completing at least 950 metres of underground development, including test stoping;
- Completion of 51,479 metres of infill drilling in February 2016; and
- Publication of an updated mineral resource estimate for Curraghinalt.

The infill drilling was essential in order to complete a new resource estimate to support the mine plan as part of the overall FS. The infill program was completed in Q1 2016 and results from all 181 holes have been released. The resource update is in progress, with results expected shortly. Development is proceeding, with approximately 790 metres completed to date.

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

- Land acquisition for the proposed mine site processing plant and associated facilities, the majority of which was completed during Q1 2016;
- Exploration, including regional sampling;
- Community and government relations activities, including presentations and site visits for 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 infill drilling), land acquisition, ESIA, submission of the planning application and corporate, general and administrative costs is approximately £28 million ($56 million), for the budget period from October 1, 2015 to December 31, 2016. The work program remains on-track and on-budget, with $32.7 million spent to March 31, 2016. With the infill drill program completed, project spending is expected to decrease quarter by quarter in the three remaining quarters of 2016. Underground development, field and study work for the FS and ESIA will continue into the second half of the year, and permitting activities will continue to increase leading to submission of the planning application. Dalradian's net working capital at March 31, 2016 was approximately $26.4 million against a remaining budget of approximately the same amount for the Underground Program, FS, land acquisition, ESIA, Planning Application and other related expenditures for the year ended December 31, 2016.

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 option agreements and prospecting licences, 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 for each of the four licence areas:

- the option agreements for mining leases entered into with the Crown Estate Commissioners ("CEC") for gold and silver (the "CEC Mining Lease Option Agreements"); and
- the prospecting licences entered into with the Department of Enterprise, Trade and Investment ("DETI") for base metals (the "DETI Prospecting Licences").

On March 11, 2016, DGL finalized renewals of all four of its existing CEC Mining Lease Option Agreements, using a new standard form of CEC agreement, each with a commencement date of January 1, 2016 and an initial expiry date of December 31, 2021. The CEC Mining Lease Option Agreements have a six-year term, with an option to extend the term for up to an additional four years (together, the "Option Period"). An extension will only be granted if there is satisfactory evidence that DGL has made significant progress towards obtaining and/or has submitted an application for the requisite planning permission for the exploration and mining of gold and silver (and including access to and from the surface land) within the mining area (the "Planning Permission"). Pursuant to the terms of the CEC Mining Lease Option Agreements, DGL can exercise its option and require the CEC to grant a mining lease (in a form as agreed and appended to the CEC Mining Lease Option Agreements) (the "Mining Lease") over the relevant part of the licence area, provided that either of the following have been obtained: (i) the grant of a Planning

Permission or (ii) confirmation by the Department of the Environment that it intends to grant Planning Permission subject only to the finalization of planning obligations or conditions or the execution of a planning agreement. The Mining Lease, will among other things, set out the terms, conditions, obligations and certain rent and royalty payments to be made in connection with DGL's right to discover, extract and sell gold and silver from the relevant areas.

The DETI Prospecting Licences for DG1 and DG2 were issued in 2013 and are currently in their first two-year extension term which runs from January 1, 2016 to December 31, 2017. They are eligible for one more, two-year extension. The DETI Prospecting Licences for DG3 and DG4 are currently in their second two-year extension term which runs 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, 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.

On March 11, 2016, DGL also entered into additional CEC Mining Lease Option Agreements over two new contiguous licence areas referred to as DG5 and DG6. Applications for the corresponding DETI Prospecting Licences for DG5 and DG6 have been made and are in progress.

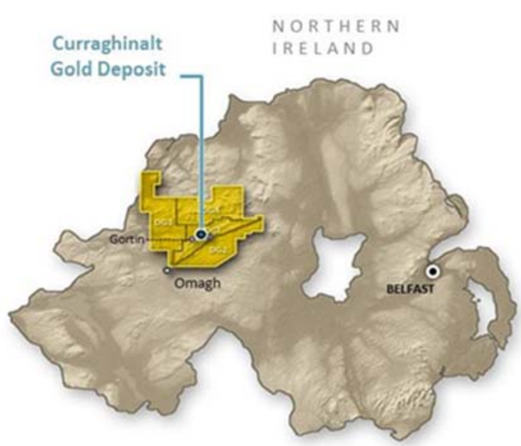
Pursuant to a royalty agreement dated December 13, 2004 (the "Royalty Agreement"), between DGL (formerly known as Ulster Minerals) and Minco Plc., a company duly incorporated under the laws of the Republic of Ireland, a 2% net smelter return royalty on a portion of the Northern Ireland Properties (as 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 during 2015 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. As previously reported, an update to the mineral resource estimate is in progress and is expected to be announced soon. Readers should not unduly rely upon the information in the table below.

	Curraghinalt Mineral Resources* (as at January 20, 2014)		
Resource Category (Cut-off Grade of 5.0 g/t)	**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 Study" 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. The update to the mineral resource estimate is expected shortly and will supersede the PEA. Accordingly, the information below should not be relied on unduly.

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

During Q4 2015, Dalradian began work with JDS as principal consultant and including contributions from SRK on a FS.

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 gravity and a flotation circuit;
- dry stack tailings; and
- approximately 50% of waste rock to be returned underground as paste backfill.

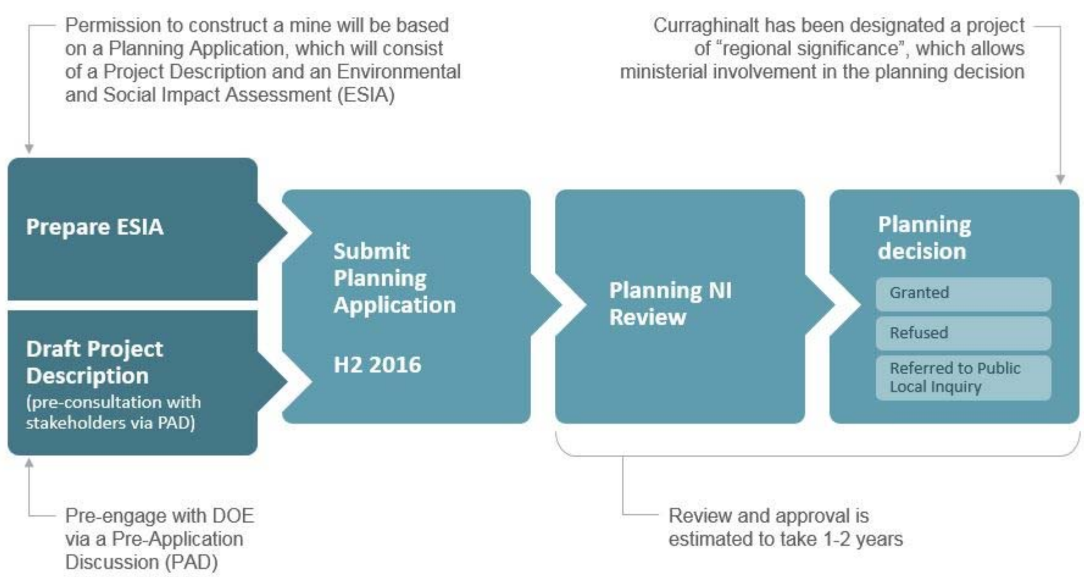
The FS is being supported by the Underground Program, including an infill drilling program of 51,479 metres, which was completed in February 2016. The FS depends on positive results from the mineral resource update.

During the third and fourth quarters of 2015, the Company purchased surface rights for a potential mine site processing plant and associated facilities in proximity to the Curraghinalt gold deposit. Acquisition of a third parcel closed during Q1 2016. Most of the required land has now been secured, with several additional small parcels targeted for addition during 2016.

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, to examine the potential impacts of a full mine build, as well as options for the elimination or mitigation of such impacts. SRK UK 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 Department of the Environment during the second half of 2016, assuming positive results for both the FS and ESIA. Dalradian does not currently have a permit for mining at Curraghinalt. 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 UK along with other consultants began stakeholder engagement for the ESIA in December 2015 with an initial meeting with the Department of the Environment officials. This was followed by other government agency meetings and initial community consultations in January 2016. The purpose of these meetings is to receive government agency, community and other stakeholder feedback to input into the Project Description and ESIA. To date, more than 300 stakeholders have attended various consultation events and meetings to hear about the proposed mine and give their feedback. Stakeholder meetings will continue into the summer of 2016, when final plans for the project are expected to be presented several months in advance of submitting the planning application.

Exploration

Exploration expenditures (outside of the Curraghinalt gold deposit) during the three months ended March 31, 2016 and March 31, 2015 were nominal. 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 a Pre-feasibility Study, which was amended on October 1, 2015 to the FS.

Exploration expenditures are expected to remain at a similar level during 2016 compared with 2015 as the Company continues regional exploration work.

Underground Program

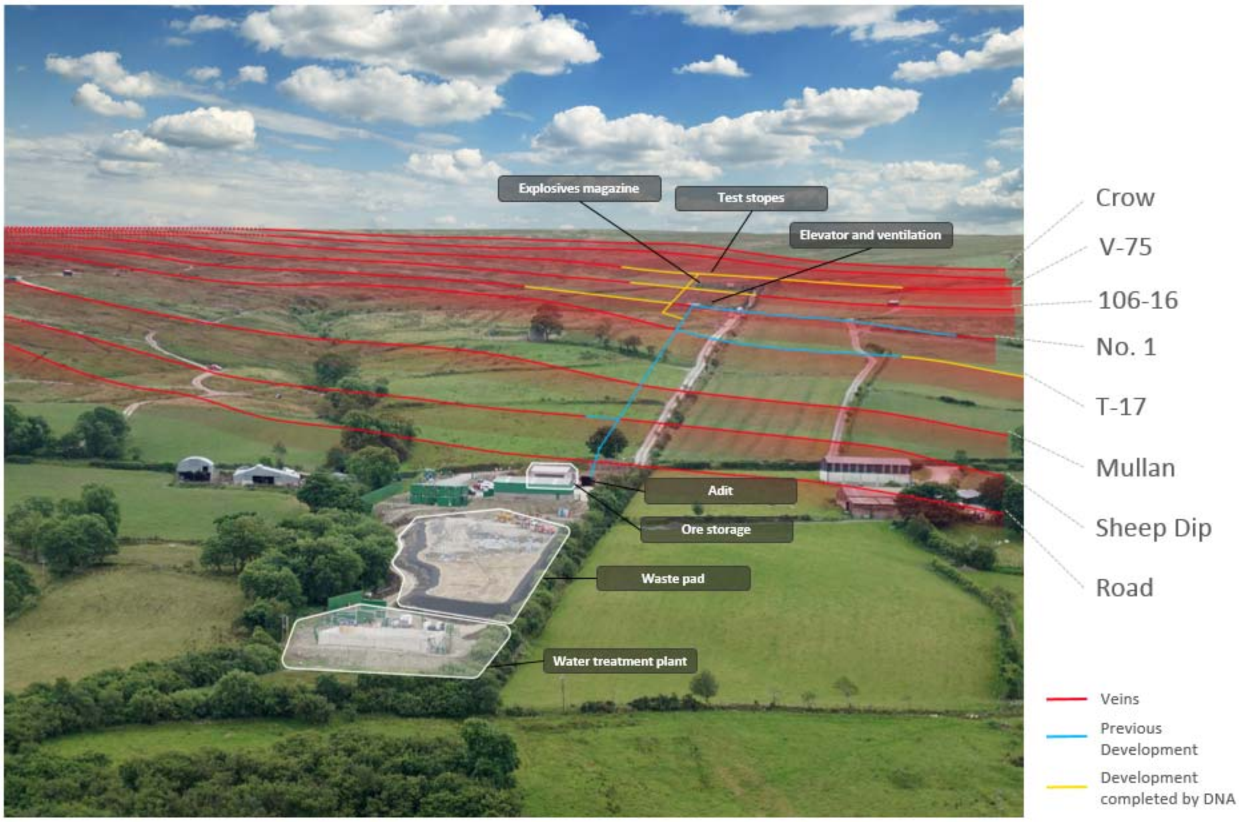
In order to support engineering studies and mining planning, the Company launched the Underground Program in September 2014, using QME Limited as underground contractor. The Underground Program is designed to: (i) demonstrate continuity of thickness and grade of the mineralized veins; (ii) increase confidence 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 infill drilling, underground development, field and desktop studies, permitting and other activities associated with the Underground Program, in the three months ended March 31, 2016 was $8.8 million compared with $5.5 million during the comparable period in 2015 due to an increase in on-site activities associated with the Underground Program, including underground development and infill drilling. Decreased spending compared to 2015 is expected during the remaining quarters of 2016, as Dalradian completes the Underground Program.

The Underground Program will extend the underground workings by at least 950 metres in total in order to access, define, sample and test the mineralized material from the Curraghinalt deposit. This development includes approximately 240 metres of access drifting which crosscuts two southern resource veins and provides drilling platforms for further southward exploration and expansion and a 190 metre ramp down for the test stoping. As well, four resource veins have been drifted on for a total of 450 metres of on-vein development. 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. See the figure below for more details.

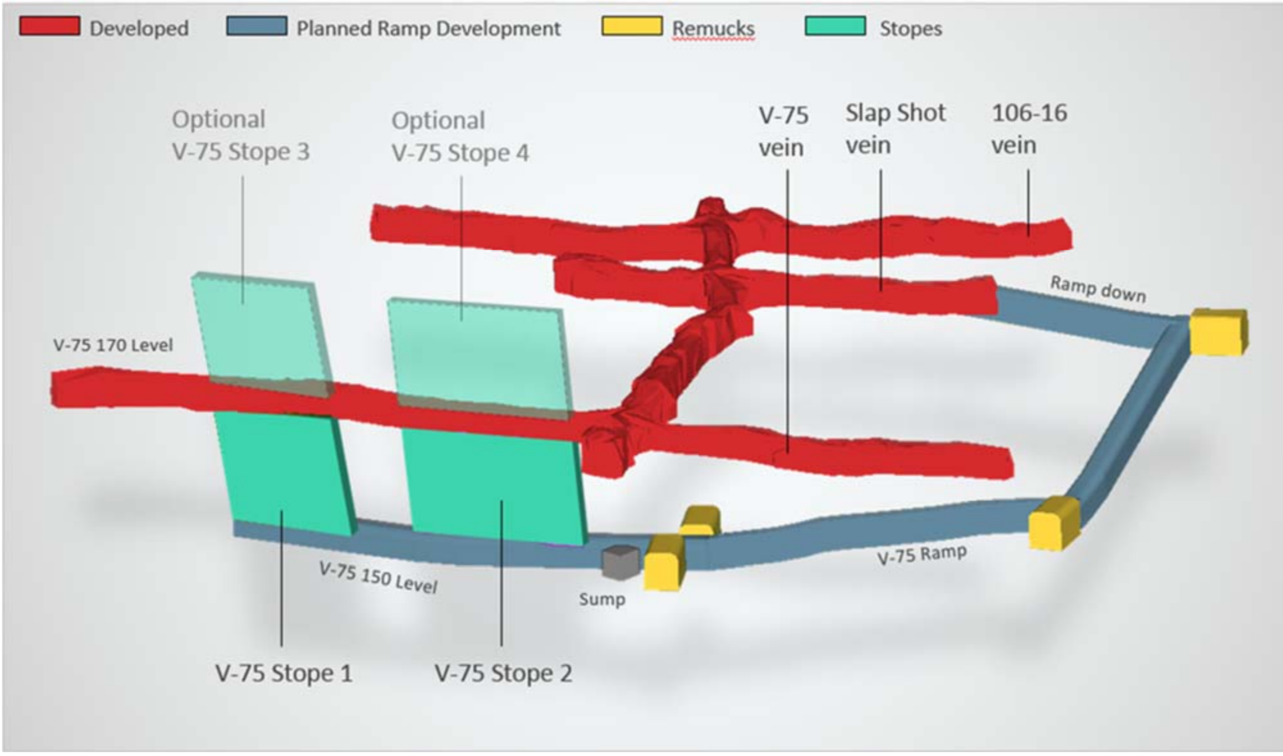
To date, approximately 790 metres of development and 171 blasts have been completed, including all of the planned development in mineralized material in the T-17 vein, the No. 1 vein, 106-16 vein and the V-75 vein. The Underground Program is expected to be completed during the second half 2016, including the test stopes, which will yield important information on dilution, ground conditions, mining methods and sequencing.

The figure below shows the existing site with gold veins projected to surface in red, previous development in blue, development completed by Dalradian in yellow and the location of the test stopes.



On April 6, 2016, the Company announced further details of the test stoping program. The program will commence on the V-75 vein, which is approximately 90 metres below the surface and 1,000 metres horizontally into the hillside at the deepest point of the development and therefore believed to be most representative for mining purposes of the bulk of the resource at Curraghinalt. The program will consist of a minimum of two test stopes averaging 1,000 tonnes each and may include up to four stopes and an access ramp down of approximately 190 metres in length and 18 metres in depth to more accurately replicate planned mining techniques for a full-scale mine (see the figure below for more details). The development completed to date has demonstrated sound rock mechanics and is yielding important data on the grade and metallurgical characteristics of the veins.

Preparatory development for the test stoping commenced in March 2016 and the stoping program should be completed during the second half of 2016. Definition drilling for the planned stopes was completed in April.



The goal of the infill drilling program was to maximize resource ounces in the Measured and Indicated categories that can be included in the mine plan. Infill drilling was completed in February 2016 and totaled 51,479 metres in 181 holes. The mineral resource update based on this infill drilling is in progress and results are anticipated shortly.

Breakdown of Exploration and Evaluation Expenditures

	Three months ended Mar. 31, 2016	Three months ended Mar. 31, 2015
Balance, beginning of period	$ 82,356,346	$ 49,085,740
Additions:		
Underground development and surface works	3,256,356	3,559,907
Infill drilling	2,324,989	190,069
Studies	2,130,229	312,165
Permitting	624,857	599,064
Exploration (outside of Curraghinalt)	228,987	158,601
Administrative & Other	509,194	409,027
Provision for decommissioning and restoration	-	296,334
Capitalized depreciation	192,586	60,251
Share-based payments	21,366	10,436
Balance, end of period	$ 91,644,910	$ 54,681,594

The most significant component of exploration and evaluation expenditures in the three months ended March 31, 2016 and 2015 was the Underground Program. The increased expenditures overall on evaluation in Q1 2016 compared with Q1 2015 reflects the increased activities in infill drilling and studies as the Company advanced the ESIA and FS.

OVERVIEW OF SELECTED INFORMATION FROM THE FINANCIAL STATEMENTS

The following table sets forth selected data for the quarters ended March 31, 2016 and 2015:

	Quarter ended	
	Mar. 31, 2016	Mar. 31, 2015
Operating expenses:		
Salaries and related benefits	$ 550,316	$ 949,492
Professional fees and consulting	467,331	110,925
Share-based payments	156,497	332,935
Investor relations and general travel	208,320	220,329
Office, regulatory and general	192,951	199,698
Amortization	1,152	38,941
Foreign exchange loss (gain)	441,070	(384,661)
Interest and bank charges	4,223	1,138
	2,021,860	1,468,797
Interest income and other	50,967	64,087
Loss and comprehensive loss for the period	$ (1,970,893)	$ (1,404,710)
Loss per share - basic and diluted	$ (0.01)	$ (0.01)

Results of Operations for the Three Months Ended March 31, 2016, compared to the Three Months Ended March 31, 2015

Salaries and related benefits expense for the three months ended March 31, 2016 of $550,316 was lower compared with the same period in 2015 of $949,492 primarily due to a recruitment payment in 2015 and lower staff level in 2016.

Professional fees and consulting expense for the three months ended March 31, 2016 of $467,331, increased compared with the same period in 2015 of $110,925, primarily due to higher geological and mining consulting services and higher legal services.

Share-based payments expense for the three months ended March 31, 2016 of $156,497 was lower compared with the same period in 2015 of $332,935, primarily due to higher amortization expense for share options granted in the first quarter of 2015.

Investor relations and general travel expense for the three months ended March 31, 2016 did not change significantly compared to the same period in 2015.

Office, regulatory and general expense for the three months ended March 31, 2016 did not change appreciably when compared to the same period in 2015.

Foreign exchange loss for the three months ended March 31, 2016 was $441,070, compared to foreign exchange gain of $384,661 for the same period in 2015, primarily as a result of the Company holding a cash balance of approximately £3.1 million in pound sterling and the weakening of the pound sterling against the Canadian dollar during first quarter of 2016.

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			
	Mar. 31, 2016	Dec. 31, 2015	Sep. 30, 2015	Jun. 30, 2015
Interest income and other	$ 50,967	$ 73,893	$ 34,153	$ 68,964
Net loss	(1,970,893)	(2,796,331)	(2,062,801)	(1,199,727)
Net loss per common share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)
Cash and cash equivalents	31,130,975	43,322,899	24,367,464	36,134,380
Other current assets	2,355,932	2,230,042	1,946,088	2,360,975
Restoration deposit	1,160,525	1,268,930	1,257,218	1,218,093
Property, plant and equipment	14,300,203	12,096,928	4,225,102	429,314
Exploration and evaluation assets	91,644,910	82,356,346	72,832,046	64,143,252
Total Assets	$ 140,592,545	$ 141,275,145	$ 104,627,918	$ 104,286,014
Total shareholders' equity	$ 132,368,053	$ 133,939,583	$ 97,310,062	$ 98,472,417

	Three months ended			
	Mar. 31, 2015	Dec. 31, 2014	Sep. 30, 2014	Jun. 30, 2014
Interest income and other	$ 64,087	$ 63,836	$ 76,076	$ 36,884
Net loss	(1,404,710)	(2,769,768)	(1,181,135)	(1,699,124)
Net loss per common share (basic and diluted)	(0.01)	(0.02)	(0.01)	(0.02)
Cash and cash equivalents	44,661,606	29,776,872	37,015,533	14,711,884
Other current assets	2,756,158	3,210,337	1,510,998	746,171
Restoration deposit	1,168,900	1,120,870	-	-
Property, plant and equipment	429,299	408,069	488,750	560,595
Exploration and evaluation assets	54,681,594	49,085,740	44,466,996	42,931,726
Total Assets	$ 103,697,557	$ 83,601,888	$ 83,482,277	$ 58,950,376
Total shareholders' equity	$ 99,343,124	$ 80,270,103	$ 82,785,046	$ 58,194,485

As a company with no revenues 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 and Q4 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, with the exception of Q3 and Q4 of 2015, which included employment restructuring payments associated with a corporate downsizing.

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 the year ended December 31, 2015, the Company received gross proceeds of $61,080,700 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); (c) the exercise of 1,272,072 broker warrants issued in the February and July 2014 Financings for gross proceeds of $906,815; and (d) a bought deal offering for gross proceeds of $40,250,000 (the “October 2015 Financing”).

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.

The October 2015 bought deal offering consisted of 50,312,500 units at a price of $0.80 per unit, for gross proceeds of $40,250,000. Each unit consisted of one common share of the Company and one common share purchase warrant. The 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.

Dalradian’s cash and cash equivalents as at March 31, 2016 were $31.1 million, compared with $44.7 million as at March 31, 2015.

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 has a history of losses and doesn’t yet generate revenue. The Company’s ability to meet its obligations and fund planned expenditures for the next twelve months including completion of the FS is contingent upon successful completion of additional financing arrangements. Although the Company has been successful in raising funds to date, as evidenced by the private placement in February 2015 and the bought deal financing in October 2015, there can be no assurance that adequate financing will be available in the future or available under terms acceptable to the Company. The above circumstances indicate the existence of a material uncertainty which may cast significant doubt as to the appropriateness of the use of accounting principles applicable to a going concern. 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 infill drill program of approximately 50,000 metres), FS, land acquisition, ESIA, Planning Application, corporate, general and administrative costs of approximately £28 million ($56 million) for the budget period from October 1, 2015 to December 31, 2016. 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 at March 31, 2016 was approximately $26.4 million against a remaining budget of approximately the same amount for the Underground Program, FS, land acquisition, ESIA, Planning Application, corporate, general and administrative costs for the year ended December 31, 2016. However, the Company will have to raise financing during 2016 to fund ongoing permitting and support activities.

Dalradian's net working capital position at March 31, 2016 was approximately $26.4 million. The majority of accounts payable and accrued liabilities relate to trade payables incurred in the normal course of operations.

During the year ended December 31, 2015, the Company raised gross proceeds of $61,080,700 through the February and October 2015 Financing and exercise of warrants and broker warrants (see details in "Capital Resources" above).

The net proceeds of the Company's October 2015 financing (see details in – "Capital Resources" above) have been used substantially in the manner set out in the Company's short form prospectus dated September 30, 2015, which is available on SEDAR at www.sedar.com.

The net proceeds from the Company's October 2015 financing of approximately $38 million were forecast to be applied to the work program at the Curraghinalt gold project as follows: underground development ($5.6 million), infill drilling ($7.6 million), ESIA, permitting and land acquisition ($17.5 million) and general working capital ($7.6 million). Up to March 31, 2016, spending against the net proceeds of the October 2015 financing was as follows: $4.7 million on underground development; $6.2 million on infill drilling; $13.8 million on ESIA, permitting and land acquisition; and $7.6 million on general working capital.

Contractual Obligations

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

At March 31, 2016, the Company had the following commitments for operating leases for the next five fiscal years:

	Total	2016	2017	2018	2019	2020
Operating leases	$ 525,927	$ 247,604	$ 134,293	$ 105,532	$ 19,249	$ 19,249

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.

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 and the provision for decommissioning and restoration 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 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 March 31, 2016 all have contractual maturities of less than 90 days and are subject to normal trade terms. The Company had sufficient funds on hand at March 31, 2016 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 March 31, 2016, 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 March 31, 2016, 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	$ (208,337)	$ (20,834)
Euro	(123,720)	(12,372)
Pound sterling	880,270	88,027
	$ 548,213	$ 54,821

OUTSTANDING SHARE DATA

The following table summarizes the capitalization of the Company as at March 31, 2016:

		Number of Common Shares
Common Shares		215,733,892

Warrants

Expiry	Exercise Price	Number of Common Shares Issuable	Proceeds if fully vested and exercised[1]
Expiring July 31, 2016	$ 0.90	1,742,478	$ 1,568,230
Expiring January 1, 2017	1.81	40,000	72,400
Expiring February 9, 2017	1.15	6,278,000	7,219,700
Expiring July 31, 2017	1.50	15,202,499	22,803,749
Expiring October 7, 2017	1.04	50,312,500	52,325,000
Expiring January 1, 2018	$ 1.50	50,000	75,000
Total warrants		73,625,477	$ 84,064,079

Options

Expiry	Exercise Price	Number of Common Shares Issuable	Proceeds if fully vested and exercised[1]
Expiring May 27, 2016	$ 1.60	250,000	$ 400,000
Expiring November 2, 2016	2.20	70,000	154,000
Expiring April 23, 2017	1.10	50,000	55,000
Expiring May 14, 2017	0.97	50,000	48,500
Expiring June 30, 2017	0.98	150,000	147,000
Expiring June 30, 2017	1.11	150,000	166,500
Expiring August 7, 2017	1.11	550,000	610,500
Expiring August 28, 2017	0.98	300,000	294,000
Expiring August 28, 2017	1.02	500,000	510,000
Expiring February 11, 2018	1.30	35,000	45,500
Expiring July 9, 2018	0.71	500,000	355,000
Expiring February 14, 2019	0.85	300,000	255,000
Expiring June 25, 2019	0.98	1,450,000	1,421,000
Expiring September 25, 2019	0.71	140,000	99,400
Expiring December 10, 2019	0.67	90,000	60,300
Expiring March 2, 2020	0.78	750,000	585,000
Expiring April 1, 2020	0.87	75,000	65,250
Expiring April 8, 2020	0.92	300,000	276,000
Expiring August 20, 2020	0.90	500,000	450,000
Expiring August 21, 2020	0.91	100,000	91,000
Expiring December 10, 2020	$ 0.67	2,300,000	1,541,000
Total options		8,610,000	$ 7,629,950
Restricted Share Units ("RSUs")	$ -	1,070,000	
Total fully diluted		299,039,369	

[1] Calculated as exercise price multiplied by number of common shares

As at May 4, 2016, the Company has 216,590,571 common shares, 72,768,798 warrants, 8,610,000 options and 1,070,000 RSUs issued and outstanding. This amounts to 299,039,369 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 Standard ("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, 2015.

The preparation of the Consolidated Financial Statements requires management to make estimates, judgments and assumptions. Measurement uncertainties are described in the Company's audited financial statement for the year ended December 31, 2015. There has been no change in the nature of critical accounting estimates from the year ended December 31, 2015.

RECENT ACCOUNTING PRONOUNCEMENTS AND ADOPTION OF NEW AND AMENDED IFRS STANDARDS

The following new IFRS standards are 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.

IFRS 16 *Leases*

On January 13, 2016, the IASB issued IFRS 16, *Leases*.

The standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 is to come into effect on January 1, 2019 with early adoption permitted.

The Company intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. 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, 2015 based on the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer concluded that as at December 31, 2015 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. Since the December 31, 2015 evaluation, 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.

During the three months ended March 31, 2016, there were no material changes to the Company's internal controls over financial reporting or disclosure controls and procedures.

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, 2015 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.