DALRADIAN
RESOURCES

Dalradian Resources Inc.

Interim Condensed Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the three months ended
March 31, 2015 and March 31, 2014

May 4, 2015

Dalradian Resources Inc.
(An exploration stage company)

Condensed Consolidated Balance Sheets

(Expressed in Canadian dollars)
(Unaudited)

	As at Mar. 31, 2015	As at Dec. 31, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 44,661,606	$ 29,776,872
Amounts receivable	328,991	246,390
Prepaid expenses and advance payments (note 4)	2,427,167	2,963,947
	47,417,764	32,987,209
Restoration deposit (note 7)	1,168,900	1,120,870
Equipment (note 5)	429,299	408,069
Exploration and evaluation assets (note 6)	54,681,594	49,085,740
	$ 103,697,557	$ 83,601,888
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 3,677,162	$ 2,950,848
Non-Current liabilities:		
Provision for decommissioning and restoration (note 7)	677,271	380,937
Shareholders' equity:		
Share capital (note 8)	130,621,349	110,693,043
Warrants (note 8)	7,441,863	7,288,894
Contributed surplus	11,514,941	11,118,485
Accumulated deficit	(50,235,029)	(48,830,319)
	99,343,124	80,270,103
	$ 103,697,557	$ 83,601,888

Commitments and contingencies (note 10) and subsequent event (note 12)

See accompanying notes, which are an integral part of these condensed consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2014
Operating expenses:		
Salaries and related benefits	$ 949,492	$ 646,955
Professional fees and consulting	110,925	57,749
Share-based payments	332,935	148,209
Investor relations and general travel	220,329	144,290
Office, regulatory and general	199,698	173,651
Amortization	38,941	48,968
Foreign exchange gain	(384,661)	(1,556)
Interest and bank charges	1,138	3,037
	1,468,797	1,221,303
Interest income and other	64,087	26,445
Loss and comprehensive loss for the period	$ (1,404,710)	$ (1,194,858)
Loss per share – basic and diluted (note 9)	$ (0.01)	$ (0.01)

See accompanying notes, which are an integral part of these condensed consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Condensed Consolidated Statements of Shareholders' Equity
(Expressed in Canadian dollars)
(Unaudited)

	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2014
Share capital:		
Balance, beginning of period	$ 110,693,043	$ 79,585,917
Common shares issued (note 8)	8,838,934	10,726,227
Warrant exercised (note 8)	11,089,372	-
Balance, end of period	$ 130,621,349	$ 90,312,144
Warrants:		
Balance, beginning of period	$ 7,288,894	$ 139,310
Warrants issued (note 8)	1,984,250	1,891,858
Warrants exercised (note 8)	(1,778,196)	-
Warrants expired (note 8)	(53,085)	-
Balance, end of period	$ 7,441,863	$ 2,031,168
Contributed surplus:		
Balance, beginning of period	$ 11,118,485	$ 10,103,852
Increase from share-based payments	343,371	150,474
Warrants expired (note 8)	53,085	-
Balance, end of period	$ 11,514,941	$ 10,254,326
Accumulated deficit:		
Balance, beginning of period	$ (48,830,319)	$ (41,985,434)
Loss and comprehensive loss for the period	(1,404,710)	(1,194,858)
Balance, end of period	$ (50,235,029)	$ (43,180,292)
Total shareholders' equity	$ 99,343,124	$ 59,417,346

See accompanying notes, which are an integral part of these condensed consolidated financial statements.

Dalradian Resources Inc.
(An exploration stage company)

Condensed Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)
(Unaudited)

	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2014
Cash flows from (used in) operating activities:		
Loss and comprehensive loss for the period	$ (1,404,710)	$ (1,194,858)
Unrealized foreign exchange (gain) loss	(339,795)	21,494
Interest income and other	(64,087)	(26,445)
Items not affecting cash:		
Amortization	38,941	48,968
Share-based payments	332,935	148,209
Change in non-cash operating working capital:		
Amounts receivable	(76,836)	(47,623)
Prepaid expenses and advance payments	(147,014)	15,600
Restoration deposit	(48,030)	-
Accounts payable and accrued liabilities	(771,392)	(71,246)
Cash flows used in operating activities	$ (2,479,988)	$ (1,105,901)
Cash flows from financing activities:		
Net proceeds from common shares and warrants issued (note 8)	$ 10,823,184	$ 12,672,971
Exercise of warrants (note 8)	9,311,176	-
Cash flows from financing activities	$ 20,134,360	$ 12,672,971
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets	$ (3,047,335)	$ (1,154,136)
Additions to equipment	(120,421)	(21,412)
Interest received	58,323	17,859
Cash flows used in investing activities	$ (3,109,433)	$ (1,157,689)
Net change in cash and cash equivalents	14,544,939	10,409,381
Cash and cash equivalents, beginning of period	29,776,872	6,855,035
Effect of exchange rate fluctuations on cash held	339,795	(21,494)
Cash and cash equivalents, end of period	$ 44,661,606	$ 17,242,922

See accompanying notes, which are an integral part of these condensed consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Dalradian Resources Inc. (collectively with its subsidiaries, the "Company") was incorporated on March 27, 2009, in the Province of Ontario, Canada, and is involved in the acquisition, exploration and evaluation of mineral properties in Northern Ireland. The registered address of the Company's head office is 155 Wellington Street West, Suite 2920, Toronto, Ontario, M5V 3H1.

While the Company has no source of revenue, management believes it has sufficient cash resources to meet its obligations and fund planned expenditures and administrative costs for at least the next twelve months. In order to meet planned expenditures and cover administrative costs beyond that point, the Company will need to raise additional financing. The Company will also have to raise financing in the future to develop a mine. Although the Company has been successful in raising funds to date, as evidenced by the recent financings in February and July 2014, and private placement in February 2015 (see note 8), there can be no assurance that adequate financing will be available in the future, or available under terms favourable to the Company.

The majority of the Company's efforts are devoted to the exploration and evaluation of its properties. The recoverability of the amounts paid for the acquisition of, and investment in, mineral properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral prospecting licences and mining lease option agreements, the ability to obtain necessary financing and the attainment of profitable operations or, alternatively, the disposal of properties or the Company's interests therein on an advantageous basis.

The interim condensed consolidated financial statements ("Consolidated Financial Statements") have been prepared in accordance with IAS 34, *Interim Financial Reporting* applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for the foreseeable future. The Consolidated Financial Statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and balance sheet classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Company are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and follow the same accounting policies and methods as noted in note 2 to 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.

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

(Expressed in Canadian dollars)

3. 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.

4. PREPAID EXPENSES AND ADVANCE PAYMENTS

On August 18, 2014, the Company's wholly-owned subsidiary Dalradian Gold Limited ("DGL") entered into an agreement with a Northern Ireland based company, FP McCann, for the surface works portion of the underground exploration program ("Underground Program"). This agreement is for the completion of the surface civil engineering, including the building and commissioning of the temporary waste water treatment plant. As of March 31, 2015, included in prepaid expenses and advance payments are advance payments to FP McCann totaling $1,571,694 (2014 - $2,044,845), equivalent of £859,415 (2014 - £1,133,353), approximately $1.1 million (2014 - $1.5 million) of which is held in an escrow account with a legal firm to be applied to future invoices. Funds held on escrow account will be released upon joint release instructions from both the Company and FP McCann.

5. EQUIPMENT

	Cost	Accumulated amortization	Net book value Mar. 31, 2015	Net book value Dec. 31, 2014
Furniture and office equipment	$ 218,283	$ 218,283	$ -	$ -
Computer equipment and software	581,164	417,638	163,526	150,465
Leasehold improvements	704,139	640,890	63,249	98,607
Other equipment	654,262	451,738	202,524	158,997
	$ 2,157,848	$ 1,728,549	$ 429,299	$ 408,069

6. EXPLORATION AND EVALUATION ASSETS

	Three months ended Mar. 31, 2015
Balance, beginning of period	$ 49,085,740
Exploration	940,586
Asset evaluation	4,644,832
Share-based payments	10,436
Balance, end of period	$ 54,681,594

Asset evaluation expenditures include development planning, permitting and other activities associated with the underground exploration program.

The Company, through DGL, holds a 100% interest in prospecting licences and options, subject to royalties as described below, in 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 these four contiguous areas; and
- The Department of Enterprise, Trade and Investment ("DETI"), a separate government body, has granted to DGL, Prospecting Licenses for base metals (the "DETI Prospecting Licences") covering the same four areas.

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. Each renewal is for a term of two years. The current terms of the CEC Mining Lease Option Agreements for DG3 and DG4 were set to expire April 23, 2015. CEC have indicated that new option agreements for DG3 and DG4 are being prepared.

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 License over the same area. Applications for new DETI Prospecting Licences for DG1 and DG2 will be required in 2019 and for DG 3 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.

7. PROVISION FOR DECOMMISSIONING AND RESTORATION

With the start of the surface works phase of the Underground Program in 2014, the Company was required to place a restoration deposit of $1,168,900 (2014 – $1,120,870), equivalent of £620,000 (2014 - £620,000), in a reserve account as security for restoration to be performed in accordance with CEC requirements. The funds will remain in the reserve account until restoration associated with the Underground Program has been satisfactorily completed.

The Company estimates future decommissioning and restoration costs based on the level of current exploration and evaluation activity and estimates of costs required to fulfil the Company's future obligation. As of March 31, 2015, provision for decommissioning and restoration is estimated to be $677,271 (2014 - $380,937), equivalent of £359,600 (2014 - £210,800).

(Expressed in Canadian dollars)

8. SHARE CAPITAL, WARRANTS, SHARE OPTIONS AND RESTRICTED SHARE UNITS

(a) Share Capital:

The Company is authorized to issue an unlimited number of common shares with no par value. As at March 31, 2015, 163,147,170 (December 31, 2014 – 140,050,483) common shares were issued and outstanding.

	Number of shares issued		Amount
Balance, December 31, 2014	140,050,483	$	110,693,043
Private placement (i)	12,556,000		9,228,660
Issuance costs of private placement (i)	-		(389,726)
Issuance on exercise of warrants (ii)	9,581,650		10,132,370
Issuance on exercise of broker warrants (iii) (iv)	959,037		957,002
Balance, March 31, 2015	163,147,170	$	130,621,349

(b) Warrants:

	Number of warrants		Amount		Weighted average exercise price
Balance, December 31, 2014	28,255,799	$	7,288,894	$	1.22
Warrants issued (i)	6,278,000		2,071,740		1.15
Issuance costs (i)	-		(87,490)		-
Warrants exercised (ii)	(9,581,650)		(1,508,885)		0.90
Broker warrants exercised (iii) (iv)	(959,037)		(269,311)		0.72
Warrants expired (v)	(337,100)		(53,085)		0.90
Balance, March 31, 2015	23,656,012	$	7,441,863	$	1.35

Each warrant entitles the holder to purchase one common share at the stated exercise price up to the expiry date.

The fair value of the Company's warrants issued during the three months ended March 31, 2015 was estimated using the Black-Scholes option pricing method using the following assumptions:

Volatility	67%
Risk-free interest rate	0.5%
Expected life (years)	2
Dividend yield	Nil

(i) On February 9, 2015, the Company closed a non-brokered private placement of 12,556,000 units, at a price of $0.90 per unit, for gross proceeds of $11,300,400. Each unit consisted of one common share of the Company and one-half of 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 $1.15 until February 9, 2017. The Company allocated approximately $0.17 to each one-half of one warrant using the Black-Scholes option pricing method, and allocated the residual $0.73 to each common share. A cash commission of $452,016 (4% of gross proceeds) and other transaction costs of $25,200 were paid.

(Expressed in Canadian dollars)

(ii) In January and February of 2015, the Company issued 9,581,650 common shares as a result of the exercise of 9,581,650 common share purchase warrants issued in February 2014. The cash proceeds from the warrant exercises were $8,623,485 and the grant date fair value of $1,508,885 recorded as common share purchase warrants was transferred to common shares upon exercise.

(iii) In February and March of 2015, the Company issued 877,215 common shares as a result of the exercise of 877,215 broker warrants issued in February 2014. The cash proceeds from the broker warrant exercises were $614,051 and the grant date fair value of $243,128 recorded as broker warrants was transferred to common shares upon exercise.

(iv) On March 10, 2015, the Company issued 81,822 common shares as a result of the exercise of 81,822 broker warrants issued in July 2014. The cash proceeds from the broker warrant exercises were $73,640 and the grant date fair value of $26,183 recorded as broker warrants was transferred to common shares upon exercise.

(v) On February 19, 2015, 337,100 common share purchase warrants exercisable at $0.90 per share, with a carrying value of $53,085, expired.

(c) Share options:

	Number of options		Weighted average exercise price
Balance, December 31, 2014	7,815,000	$	0.88
Granted (i)	750,000		0.78
Forfeited and expired	(180,000)		1.28
Balance, March 31, 2015	8,385,000	$	0.86

(i) On January 14, 2015, 750,000 options were granted to an officer, effective March 2, 2015, with an exercise price of $0.78 per share. One third of these options vested immediately with the remaining thirds each vesting on the first and second anniversaries of the date they were issued. The options expire March 2, 2020.

The fair value of the Company's options granted to employee during the period ended March 31, 2015 was estimated using the Black-Scholes option pricing method using the following assumptions:

Volatility	77%
Risk-free interest rate	0.5%
Expected life (years)	3
Dividend yield	nil
Forfeiture rate	5%

The total fair value of unvested options that will be recognized in the consolidated statement of loss or capitalized into exploration and evaluation assets in future periods amounts to $492,370 as at March 31, 2015.

(Expressed in Canadian dollars)

(d) Restricted Share Units ("RSUs"):

	Three months ended March 31, 2015	
	Number of RSUs	**Weighted average fair value per unit at grant date [(i)]**
Balance, December 31, 2014 and March 31, 2015	995,000	$ 1.05

[(i)] The fair value of the RSUs is based on the share price on grant date of August 7, 2012 and October 2, 2014.

9. BASIC AND DILUTED LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	Three months ended Mar. 31, 2015	Three months ended Mar. 31, 2014
Numerator:		
Loss for the period	$ (1,404,710)	$ (1,194,858)
Denominator:		
Weighted average number of common shares	151,979,849	98,580,066
Basic and diluted loss per share	$ (0.01)	$ (0.01)

The outstanding share options, RSUs and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

10. COMMITMENTS AND CONTINGENCIES

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

At March 31, 2015, the Company had the following commitments for operating leases and service agreements for the next five fiscal years:

	Total	2015	2016	2017	2018	2019
Operating leases	$ 480,507	$ 245,966	$ 176,230	$ 19,437	$ 19,437	$ 19,437
Purchase obligations	12,045,000	12,045,000	-	-	-	-
Total	$ 12,525,507	$ 12,290,966	$ 176,230	$ 19,437	$ 19,437	$ 19,437

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

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 preliminary feasibility study. The estimated total value of the contract is approximately US$3.3 million (C$4.2 million). Drilling commenced on March 26, 2015.

Other purchase obligations include remaining contractual commitment at March 31, 2015 under various service agreements related to the Underground Program at the Curraghinalt Gold Project in Northern Ireland, details of which are disclosed in note 14 of the Company's audited consolidated financial statement for the year ended December 31, 2014.

(Expressed in Canadian dollars)

11. SEGMENTED REPORTING

The Company's corporate office is in Canada. The geographical segmentation of the Company's assets and expenses are as follows:

	Canada	Northern Ireland	Total
As at March 31, 2015			
Current assets	$ 43,553,254	$ 3,864,510	$ 47,417,764
Restoration deposit	-	1,168,900	1,168,900
Exploration and evaluation assets	-	54,681,594	54,681,594
Equipment	63,720	365,579	429,299
Total assets	$ 43,616,974	$ 60,080,583	$ 103,697,557
Three months ended March 31, 2015			
Additions to equipment	$ -	$ 120,421	$ 120,421
Additions to exploration and evaluation assets	$ -	$ 5,595,854	$ 5,595,854
Revenue	$ -	$ -	$ -
Net loss (gain)	$ 1,486,759	$ (82,049)	$ 1,404,710
As at December 31, 2014			
Current assets	$ 29,168,950	$ 3,818,259	$ 32,987,209
Restoration deposit	-	1,120,870	1,120,870
Exploration and evaluation assets	-	49,085,740	49,085,740
Equipment	102,660	305,409	408,069
Total assets	$ 29,271,610	$ 54,330,278	$ 83,601,888
Three months ended March 31, 2014			
Additions to equipment	$ -	$ 21,412	$ 21,412
Additions to exploration and evaluation assets	$ -	$ 1,247,224	$ 1,247,224
Revenue	$ -	$ -	$ -
Net loss (1)	$ 1,161,278	$ 33,580	$ 1,194,858

(1) *$9,117 of net losses related to the Company's former exploration licenses in Norway are included in Canada. No amounts incurred related to Norway in 2015 following the disposition of the entity in 2014.*

12. SUBSEQUENT EVENT

RSUs grant

On April 7, 2015, a total of 100,000 RSUs were granted to officers and an employee of the Company under the Company's RSU plan. These RSUs have a fair value $0.96 per RSU, based on the share price on grant date, and have a vesting period of three years.