

News Release

TSX: DNA
AIM: DALR

Dalradian reports Q3 2017 results with cash of \$48.8 million

TORONTO, November 10, 2017/Marketwired/ - Dalradian Resources Inc. (TSX:DNA; AIM:DALR) ("Dalradian" or the "Company") announces results for the three and nine months ended September 30, 2017, including closing cash and cash equivalents of \$48.8 million¹.

Patrick F.N. Anderson, Dalradian's President and CEO, commented: "We expect to submit our planning application by the end of 2017. With the pending \$78 million private placement and proceeds from warrant exercises, we are well-placed to move our high grade gold project through the permitting process while continuing technical work with the aim of increasing its value. In the first half of 2018 we expect to release both an updated resource and feasibility study."

Operational highlights as of November 9, 2017

- Released the positive results from ore sorting testing, including a 54.6% grade increase and 35.8% decrease in waste material. Ongoing cost-benefit studies and site visits are being conducted prior to ore sorting being included in a feasibility study update
- Completed a sensitivity study on two major veins in the resource model where a new approach to modelling resulted in a 32% increase in estimated mineable ounces. Results from the study, along with additional drilling, will be used in an upcoming mineral resource update
- Released the results from 15 holes for a total of 6,324 metres of the 40,000-metre program, which included step-out drilling 400 metres from the mineral resource boundary and infill drilling to support the planned conversion of ounces from the inferred to indicated mineral resource category. Select results included:
 - Step-out: 1.98 m of 32.54 g/t gold from the 106-16 vein in hole 17-CT-427
 - Step-out: 0.94 m of 30.89 g/t gold from the T17 vein in hole 17-CT-428
 - Step-out: 1.03 m of 40.09 g/t gold from the Crow vein in hole 17-CT-435
 - Infill: 1.21 m of 76.22 g/t gold from the No.1 vein in hole 17-CT-415
 - Infill: 1.51 m of 41.04 g/t gold from the 106-16 vein in hole 17-CT-424
- During Q3 2017, regional exploration continued across the broader licence areas, with 77 prospecting samples, 138 stream sediment samples, 57 soil samples, and 640 deep overburden samples collected. During the first nine months of 2017, 204 prospecting samples, 259 stream sediment samples, 170 soil samples, and 1,687 deep overburden samples were collected.

Corporate and financial highlights of Q3 2017

- Cash and cash equivalents were \$48.8 million at September 30, 2017 compared with \$35.7 million at December 31, 2016
- Net loss of \$1.9 million (\$0.01 per share) for the three months ended September 30, 2017 compared with a net loss of \$1.4 million (\$0.01 per share) for the comparable period of 2016. For the nine

¹ All amounts are in Canadian dollars unless otherwise noted

months ending September 30, 2017, the Company had a net loss of \$5.9 million (\$0.02 per share) compared to a net loss of \$4.8 million (\$0.02 per share) in the same period of 2016.

- Expenditures on mineral property under development for the three months ended September 30, 2017 were \$5.6 million compared with \$4.8 million during the comparable period in 2016. During Q3 2017 permitting, drilling and underground development/surface works for infill drilling were the largest spending categories, as work focused on finalizing the planning (permitting) application (the "Planning Application") and infill drilling. In Q3 2016 much of the activity centred on the feasibility study announced in Q4 2016 and an underground exploration program (the "Underground Program")
- During the nine months ended September 30, 2017, expenditures on mineral property under development, net of receipt from processing of mineralized material, were \$12.4 million compared with \$19.6 million during the comparable period in 2016. Lower expenditures in 2017 were a result of less spending due to the completion of the Underground Program in late 2016
- Warrants exercised up to the end of Q3, 2017 brought in total proceeds of \$30.6 million. Subsequent to the end of Q3, 2017, the Company received additional proceeds of \$19.2 million from warrant exercises with over 99.7% of the 50,312,500 warrants expiring on October 10, 2017 exercised
- As of November 9, 2017, Dalradian had 302,036,596 Common Shares issued and outstanding

Minco Royalty Transaction

During Q3, Dalradian concluded the buyback of the 2% net smelter return royalty on a portion of the Northern Ireland Properties (as defined in the Royalty Agreement) including the Curraghinalt gold deposit (the "Royalty") from Minco plc ("Minco"). On August 30, 2017, Dalradian and Minco completed the Royalty buy-back under Rule 2.5 of the Irish Takeover Panel Act, Takeover Rules 2013 (the "Royalty Transaction"). The Royalty Transaction was implemented as a share for share acquisition of Minco by Dalradian pursuant to a scheme of arrangement, under Chapter 1 of Part 9 of the Companies Act 2014 of Ireland, including a demerger of Minco's subsidiary Buchans Resources Limited ("Buchans"), which held all of Minco's assets other than the Royalty so that on the completion of the Royalty Transaction the only asset held by Minco was the Royalty. The Royalty Transaction resulted in the issuance of a total of 15,489,942 Dalradian shares to Minco shareholders and Buchans.

The Royalty Transaction had a positive effect on the economics of the feasibility study ("FS")² contained in the Technical Report (as defined below) for an underground mine at the Curraghinalt Gold Project based on production of an average of 130,000 ounces per year at a gold price of US\$1,250 per ounce:

- After-tax net present value (at a 5% discount rate) increased to US\$322 million (C\$429 million) from US\$301 million (C\$402 million);
- After-tax internal rate of return increased to 25.5% from 24.4%; and
- All-in sustaining costs ("AISC", as defined by the World Gold Council) were reduced to US\$653 per ounce from US\$674 per ounce.

Private placement financing

On October 10, 2017, the Company announced a non-brokered private placement financing (the "Financing") with Orion Mine Finance Fund II LP ("Orion") and Osisko Gold Royalties Ltd ("Osisko") for gross proceeds of C\$78.25 million (the "Private Placement"). Pursuant to the Financing, Orion will acquire 34,013,605 common shares of Dalradian (the "Common Shares") and Osisko will acquire 19,217,687 Common Shares, each at a price of C\$1.47 per Common Share. The Financing is expected to close on or before November 30, 2017.

Outlook

As Dalradian works towards the submission of its Planning Application to permit the building of a mine at the Curraghinalt gold deposit, the Company continues its exploration efforts through drilling, engineering and geological studies. With the anticipated closing of the \$78.25 million private placement financing and proceeds from warrants exercised, the Company is well-positioned to continue exploration and other work with the aim to increase the value of the project.

² The effect of the Royalty Transaction on project economics was recalculated by management based on the original Feasibility Study Technical Report

Dalradian expects to release an updated mineral resource statement in Q1 2018 based on the drilling completed in 2017. A revised feasibility study is also planned for the end of Q2 2018 which will incorporate the details of an expected updated mineral resource, revised modelling methodology and ore sorting technology. The Company also continues to explore its large land package with extensive sampling in streams and soils to create a good baseline of data for future work.

Supporting Documents

The Q3 2017 Financial Statements (not including notes) can be found below. The full Q3 2017 Management Discussion and Analysis and Financial Statements are available on www.dalradian.com and on www.sedar.com.

Condensed Consolidated Statement of Financial Position

(Expressed in Canadian dollars)
 (Unaudited)

	As at Sept. 30, 2017	As at Dec. 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 48,763,293	\$ 35,719,242
Amounts receivable.....	818,890	666,166
Prepaid expenses and other assets.....	505,927	506,785
	<u>50,088,110</u>	<u>36,892,193</u>
Non-Current assets:		
Restoration deposit	1,042,389	1,032,135
Property, plant and equipment	158,975,545	118,988,157
Exploration and evaluation assets (note 5)	4,291,611	3,943,077
	<u>164,309,545</u>	<u>123,963,369</u>
	<u>\$ 214,397,655</u>	<u>\$ 160,855,562</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,086,353	\$ 4,908,196
Provision for reclamation.....	351,036	347,844
	<u>6,437,389</u>	<u>5,256,040</u>
Non-Current liabilities:		
Provision for reclamation	<u>685,356</u>	<u>679,124</u>
Shareholders' equity:		
Share capital	259,357,808	195,974,511
Warrants	2,879,391	10,745,550
Contributed surplus	15,028,350	12,314,675
Accumulated deficit	(69,990,639)	(64,114,338)
	<u>207,274,910</u>	<u>154,920,398</u>
	<u>\$ 214,397,655</u>	<u>\$ 160,855,562</u>

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)
 (Unaudited)

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Operating expenses:				
Salaries and related benefits.....	\$ 771,260	\$ 579,902	\$ 2,369,866	\$ 1,679,710
Professional fees and consulting	165,745	235,137	660,081	930,559
Share-based payments	427,870	91,441	1,634,499	371,153
Investor relations and travel	187,254	310,807	614,231	717,307
Office, regulatory and general	242,328	157,591	671,747	488,199
Interest and bank charges.....	3,085	2,687	11,459	9,161
Amortization	1,152	1,152	3,455	3,454
Foreign exchange loss	182,726	69,468	133,520	734,564
	<u>\$ 1,981,420</u>	<u>\$ 1,448,185</u>	<u>\$ 6,098,858</u>	<u>\$ 4,934,107</u>
Interest income	<u>103,862</u>	<u>33,179</u>	<u>222,557</u>	<u>121,328</u>
Loss and comprehensive loss for the period ...	<u>\$ (1,877,558)</u>	<u>\$ (1,415,006)</u>	<u>\$ (5,876,301)</u>	<u>\$ (4,812,779)</u>
Loss per share – basic and diluted	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>

Condensed Consolidated Statement of Shareholders' Equity

(Expressed in Canadian dollars)
 (Unaudited)

	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Share capital:		
Balance, beginning of period.....	\$ 195,974,511	\$ 162,680,450
Common shares issued	25,558,404	121,500
Warrants exercised	36,961,967	30,729,039
Share-based payments exercised	862,926	1,308,572
Balance, end of period	<u>\$ 259,357,808</u>	<u>\$ 194,839,561</u>
Warrants:		
Balance, beginning of period.....	\$ 10,745,550	\$ 15,019,060
Warrants exercised	(6,321,347)	(4,211,829)
Warrants expired	(1,544,812)	(43,783)
Balance, end of period	<u>\$ 2,879,391</u>	<u>\$ 10,763,448</u>
Contributed surplus:		
Balance, beginning of period.....	\$ 12,314,675	\$ 12,533,961
Increase from share-based payments.....	1,865,290	445,071
Warrants expired	1,544,812	43,783
Share-based payments exercised.....	(696,427)	(703,572)
Balance, end of period	<u>\$ 15,028,350</u>	<u>\$ 12,319,243</u>
Accumulated deficit:		
Balance, beginning of period.....	\$ (64,114,338)	\$ (56,293,888)
Loss and comprehensive loss for the period.....	(5,876,301)	(4,812,779)
Balance, end of period	<u>\$ (69,990,639)</u>	<u>\$ (61,106,667)</u>
Total shareholders' equity	<u>\$ 207,274,910</u>	<u>\$ 156,815,585</u>

Condensed Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)
 (Unaudited)

	Nine months ended Sept. 30, 2017	Nine months ended Sept. 30, 2016
Cash flows from (used in) operating activities:		
Loss and comprehensive loss for the period	\$ (5,876,301)	\$ (4,812,779)
Items not affecting cash:		
Unrealized foreign exchange loss (gain) on cash.....	70,852	1,052,978
Interest income	(222,557)	(121,328)
Amortization.....	3,455	3,454
Share-based payments.....	1,634,499	371,153
Unrealized foreign exchange loss (gain) on restoration deposit.....	(10,254)	205,700
Change in non-cash operating working capital:		
Amounts receivable	280,978	650,173
Prepaid expenses and other asset	(113,723)	32,233
Accounts payable and accrued liabilities	(16,914)	18,389
Cash flows used in operating activities.....	\$ (4,249,965)	\$ (2,600,027)
Cash flows from financing activities:		
Exercise of warrants	30,227,220	26,517,210
Exercise of options	166,500	605,000
Cash flows from financing activities.....	\$ 30,393,720	\$ 27,122,210
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets	\$ (192,520)	\$ (21,497,178)
Additions to property, plant and equipment	(12,118,984)	-
Minco acquisition cost.....	(919,351)	(2,314,384)
Interest received	202,003	127,967
Cash flows used in investing activities.....	\$ (13,028,852)	\$ (23,683,595)
Net change in cash and cash equivalents	13,114,903	838,588
Cash and cash equivalents, beginning of period	35,719,242	43,322,899
Effect of exchange rate fluctuations on cash held	(70,852)	(1,052,978)
Cash and cash equivalents, end of period.....	\$ 48,763,293	\$ 43,108,509

About Dalradian Resources Inc.

Dalradian Resources Inc. is a mineral exploration and development company that is focused on advancing its high-grade Curraghinalt Gold Project located in Northern Ireland, United Kingdom.

For additional details on the Curraghinalt high-grade lode gold deposit ("Curraghinalt"), please refer to the Company's technical report titled "NI 43-101 Feasibility Study Technical Report on the Curraghinalt Gold Project Northern Ireland" (the "Technical Report"), dated January 25, 2017 and prepared by Garrett Macdonald, P.Eng., Michael Makarenko, P.Eng., Indi Gopinathan, P.Eng. and Stacy Freudigmann, P.Eng., all of JDS Energy & Mining Inc., and Jean-François Couture, P.Geo., Bruce Murphy, P.Eng., Cam Scott, P.Eng., all of SRK Consulting (Canada) Inc., and William Harding, C.Geol., of SRK Consulting (UK) Ltd., all of whom are independent Qualified Persons as defined by NI 43-101. The Technical Report is available on the Company's website and on SEDAR at www.sedar.com.

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FORWARD LOOKING STATEMENTS

This press release 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 subsidiaries and its mineral project, the future price of metals, test work and confirming results from work performed to date, the estimation of mineral resources and mineral reserves, the realization of mineral resource and mineral reserve 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 production, economics and mine life 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 mine development, construction and production programs, that skilled personnel and contractors will be available as Dalradian's operations commence and continue to grow towards production and mining operations, 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 and mineral reserve estimates and current mine plans, that the assumptions contained in the Company's Technical Report dated January 25, 2017 are accurate and complete, that the results of the ESIA 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 the Company's Annual Information Form for the year ended December 31, 2016 dated March 23, 2017 (the "AIF").

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 press release 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.