

News Release

TSX: DNA
AIM: DALR

Recommended Cash Offer by Orion Mine Finance to Acquire Dalradian Resources Inc.

TORONTO, June 21, 2018 /GlobeNewswire/ - Dalradian Resources Inc. (TSX:DNA) (AIM:DALR) ("Dalradian" or the "Company") and Orion Mine Finance are pleased to announce that the Company and certain affiliates of Orion Mine Finance (collectively, "Orion") have entered into a definitive arrangement agreement (the "Arrangement Agreement"), whereby Orion will acquire all of the issued and outstanding common shares of the Company ("Dalradian Shares") by way of a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "Transaction"). Under the terms of the Arrangement Agreement, the Dalradian Shares held by certain members of the Dalradian senior management team, Sean Roosen and Osisko Gold Royalties Ltd (collectively, the "Remaining Shareholders") will not be acquired by Orion. Collectively, Orion and the Remaining Shareholders currently hold 72,695,911 Dalradian Shares or 20.4% of the issued and outstanding Dalradian Shares.

The Arrangement Agreement

Under the terms of the Arrangement Agreement, each Dalradian shareholder (other than the Remaining Shareholders) (the "Affected Dalradian Shareholders") will receive cash consideration of C\$1.47 for each Dalradian Share held (the "Consideration"), valuing Dalradian's total equity at approximately C\$537 million, on a fully diluted in-the-money basis. The Consideration represents a 62% premium to the closing price of the Dalradian Shares on the Toronto Stock Exchange (the "TSX") on June 20, 2018 and a 49% premium to the volume weighted average price ("VWAP") of the Dalradian Shares over the last 30 trading days.

Benefits to Dalradian Shareholders

- Immediate and significant premium of approximately 62% to the closing price of the Dalradian Shares on June 20, 2018, and approximately 49% based on the 30-day VWAP.
- All cash offer that is not subject to a financing condition.
- Strong deal certainty with support agreements accounting for a total of approximately 31.4% from directors and senior officers of Dalradian, certain funds, Orion and the Remaining Shareholders.

Oskar Lewnowski, Chief Investment Officer of Orion, commented, "We are very pleased to expand our ownership in one of the world's best undeveloped gold deposits. Curraghinalt gets more exciting as additional exploration and engineering work is completed, the recent positive resource update being just the latest example. The Dalradian team has done an outstanding job of growing the deposit and advancing it through the feasibility stage. We look forward to working with the core Dalradian management team to secure planning permission for a world class mine using best-in-class mining, processing and environmental standards."

Patrick F.N. Anderson, CEO of Dalradian, stated, "Orion and Osisko are showing great confidence in Northern Ireland, our high grade Curraghinalt project and our West Tyrone workforce. Their goals as strategic investors are completely aligned with ours - to secure planning permission for an underground gold mine and continue advancing the project in a way that benefits all our stakeholders. We will continue to work closely with community members, all levels of government, employees, contractors and local suppliers toward building one of the world's top gold mines."

Jim Rutherford, Non-Executive Chairman of Dalradian, stated, "In the space of less than ten years, Dalradian has succeeded in transforming its flagship Curraghinalt project in Northern Ireland from a virtual grassroots discovery into one of the world's best and highest grade gold deposits, that will provide significant inward investment and economic benefits for the Northern Ireland economy. The premium cash offer from Orion that we have announced today therefore reflects the results of several

years' diligent, professional work by the entire Dalradian team. My fellow board directors and I would like to express our thanks and appreciation to all who have been involved in successfully developing the project to this stage."

Major Shareholder Support

Certain funds and accounts under management by subsidiaries of BlackRock Inc., which hold approximately 37,945,699 Dalradian Shares, representing approximately 10.7% of Dalradian's issued and outstanding common shares, have entered into a support agreement (the "Support Agreement") with Orion, agreeing, subject to the terms of the Support Agreement, to vote their Dalradian Shares in favour of the Transaction. Orion and the Remaining Shareholders, who collectively hold approximately 72,695,911 Dalradian Shares, representing approximately 20.4% of Dalradian's issued and outstanding common shares, have each agreed to continue to hold its Dalradian Shares and also to vote in favour of the Transaction.

Independent Committee and Board of Directors Recommendations

An independent committee of Dalradian's board of directors (the "Independent Committee") comprised of Jonathan Rubenstein, Patrick Downey and Thomas Obradovich was constituted to consider the Transaction. The Independent Committee, on behalf of the Dalradian Board of Directors, obtained a formal valuation (the "Valuation") from Raymond James Ltd. ("Raymond James") as required by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Valuation was prepared under the supervision of the Independent Committee and determined that in Raymond James' opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the fair market value of the Dalradian Shares, as at June 20, 2018 is in the range of C\$1.35 to C\$1.70 per Dalradian Share. In addition, Raymond James has provided a fairness opinion to the Independent Committee (the "Raymond James Fairness Opinion"), stating that in its opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Affected Dalradian Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to such Affected Dalradian Shareholders.

Maxit Capital LP has provided a fairness opinion to the Independent Committee (the "Maxit Fairness Opinion"), stating that in its opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration is fair, from a financial point of view, to the Affected Dalradian Shareholders.

The Board of Directors (excluding Patrick Anderson, Michael Barton and Sean Roosen who were recused from discussions and voting given their interests in the Transaction as Mr. Anderson is part of the senior management team and is a Remaining Shareholder, Mr. Barton is a principal of Orion and Mr. Roosen is a Remaining Shareholder and a principal of Osisko) after receiving financial and legal advice, and following receipt of the Maxit Fairness Opinion, the Raymond James Fairness Opinion and the Valuation, and the recommendation of the Independent Committee, unanimously approved the Transaction and recommend that Affected Dalradian Shareholders vote in favour of the Transaction.

In addition, directors and senior officers of Dalradian, including the Remaining Shareholders, who as of the date hereof, collectively hold approximately 2.2% of Dalradian's issued and outstanding common shares, have entered into agreements to support the Transaction and vote their Dalradian Shares in favour of the Transaction.

Transaction Conditions and Timing

The Transaction will be implemented by way of a Court-approved plan of arrangement under the *Business Corporations Act* (Ontario) and will require the approval of: (i) 66 2/3% of the votes cast by the holders of Dalradian's common shares; and (ii) a simple majority of the votes cast by holders of Dalradian common shares after excluding any votes of Orion, Osisko Gold Royalties Ltd and certain other persons required to be excluded under MI 61-101, all at a special meeting of Dalradian shareholders to consider the Transaction.

The completion of the Transaction will also be subject to obtaining required court and other approvals and satisfaction of closing conditions customary for a transaction of this nature. The Arrangement Agreement provides for customary deal-protection provisions, including a non-solicitation covenant on the part of Dalradian and a right for Orion to match any Superior Proposal (as defined in the Arrangement Agreement). The Arrangement Agreement includes a termination fee of C\$20 million, payable by Dalradian, under certain circumstances (including if the Arrangement Agreement is terminated in connection with Dalradian pursuing a Superior Proposal).

It is anticipated that the special meeting of Dalradian shareholders to consider the Transaction will be held in August 2018. The effect of Dalradian shareholders voting for the resolution to approve the plan of arrangement and it becoming effective will be the cancellation of the Dalradian Shares from trading on the TSX and AIM following closing of the Transaction. The Transaction is expected to close in the third quarter of 2018.

No Financing Contingency

The acquisition will be financed using cash on hand in the Company, made available to Orion as a loan, and cash available to Orion. Orion has confirmed that it has sufficient cash available to finance the consideration for the Transaction.

Advisors and Counsel

Maxit Capital LP is acting as financial advisor to Dalradian in connection with the Transaction. Cassels Brock & Blackwell LLP is serving as Canadian counsel to Dalradian, Blake, Cassels & Graydon LLP is serving as counsel to the Independent Committee and Fieldfisher LLP is acting as UK counsel to Dalradian.

Stikeman Elliott LLP is serving as counsel to Orion.

Bennett Jones LLP is serving as counsel to the senior management team.

McCarthy Tétrault LLP is serving as counsel to Osisko Gold Royalties Ltd.

Additional Information about the Proposed Transaction

Copies of the Maxit Fairness Opinion, Raymond James Fairness Opinion, the Valuation, and a description of the various factors considered by the Board of Directors of the Company in its determination to approve the Transaction, as well as other relevant background information, will be included in the management information circular to be sent to the Company's shareholders at least 21 days in advance of the Special Meeting. The management information circular, the Arrangement Agreement, the plan of arrangement and certain related documents will be filed with the Canadian securities regulators and will be available on SEDAR at www.sedar.com.

About Orion

Orion Resource Partners is a global alternative investment management firm with \$4.5 billion under management. Orion specializes in institutional metals and mining investment strategies in the base and precious metals space. Orion's private equity, hedge fund, and merchant service divisions enable it to access in-depth knowledge of the global metals and mining supply chain and robust insight into the physical and financial demand driving global metals prices. Orion is an industry leader in delivering comprehensive and customized financial solutions to mining companies and base and precious metals investors.

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. The Curraghinalt Project is in permitting, with exploration ongoing to build on the positive feasibility study released in January 2017.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

About Osisko Gold Royalties Ltd

Osisko Gold Royalties Ltd is an intermediate precious metal royalty company focused on the Americas that commenced activities in June 2014. Osisko holds a North American focused portfolio of over 130 royalties, streams and precious metal offtakes. Osisko's portfolio is anchored by five cornerstone assets, including a 5% NSR royalty on the Canadian Malartic Mine, which is the largest gold mine in Canada. Osisko also owns a portfolio of publicly held resource companies, including a 15.5% interest in Osisko Mining Inc., a 12.7% interest in Falco Resources Ltd. and a 32.4% in Barkerville Gold Mines Ltd.

Osisko's head office is located at 1100 Avenue des Canadiens-de Montréal, Suite 300, Montréal, Québec, H3B 2S2.

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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 management’s assessment of the anticipated benefits to Dalradian shareholders of the proposed Transaction, anticipated meeting date, timing for completion of the Transaction and delisting from both the TSX and AIM, the delivery of an updated feasibility study and an updated technical report, 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 state 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 that management believes are reasonable, such as the receipt of all shareholder and regulatory approvals, no undue delays with respect to the Transaction, effects of general economic conditions, changing foreign exchange rates and actions by government authorities, continued political stability in Northern Ireland, that permits required for Dalradian’s operations will be obtained in a timely basis in order to permit Dalradian to proceed on schedule with its planned exploration and mine development, construction and production programs, that a permitting application for mine construction will be approved, 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 the Dalradian’s mineral project economic, and that the necessary capital will be available to finance Dalradian’s operations and realize on mineral resource and mineral reserve estimates and current mine plans.

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, the risk that the required Dalradian shareholder approval or necessary court approvals may not be obtained in connection with the Transaction, uncertainties associated with negotiations, misjudgments in the course of preparing forward-looking information, the Transaction may not close when planned or at all or on the terms and conditions set forth in the Arrangement Agreement, the benefits expected from the Transaction not being realized, risks related to the integration of acquisitions, general business, economic, competitive, political and social uncertainties; legal challenges to permits or permitting applications; 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, 2017 dated March 15, 2018.

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.