

## News Release

TSX: DNA  
AIM: DALR

### **Dalradian reports Q1 2018 results with cash of \$126.9 million at March 31, 2018**

TORONTO, May 3, 2018/GlobeNewswire/ - Dalradian Resources Inc. (TSX:DNA; AIM:DALR) ("Dalradian" or the "Company") announces results for the three months ended March 31, 2018, including closing cash and cash equivalents of \$126.9 million<sup>1</sup>.

Patrick F.N. Anderson, Dalradian's President and CEO, commented:

"Now that our resource drilling is complete, we expect to issue an updated resource shortly that will feed into an updated feasibility study in Q3. Exploration in 2018 will continue to test extensions of Curraghinalt as well as several regional targets.

Since February, our planning application has been progressing through review and consultation by the authorities. We have increased our outreach to a broad range of stakeholders to build understanding about our proposed mine and the many opportunities it brings to Northern Ireland. I am proud to report that we have had 1,000 visitors to our public site tours and 1,400 employment inquiries."

#### **Operational highlights as of May 1, 2018**

- Commencement of public and statutory consultation processes for the permitting application to build a mine at the Curraghinalt deposit (the "Planning Application")
- Continued community relations activities, including welcoming our 1,000<sup>th</sup> local visitor on a tunnel tour and site visit
- Receipt of approximately 1,400 submissions of interest in careers at the proposed mine, with approximately one-third of applicants coming from the local area
- Completion of a technical work program in preparation for updates to the 2016 NI 43-101 Mineral Resource Estimate ("Mineral Resource"), including completion of 6,324 metres of infill drilling in 22 holes to close off the infill drilling program totalling 29,026 metres in 76 holes. This drilling has extended the strike length of the system and has identified a number of new veins.
- Completion of 5,275 metres of drilling in 12 holes in peripheral areas of Curraghinalt to test continuity of the deposit
- Continued progression of the technical work program for an update of the feasibility study ("FS"), including advancement of the geotechnical model and further work on ore-sorting technology
- The Company has an active program in place to meet the requirements of the General Data Protection Regulation ("GDPR") that becomes effective in Northern Ireland on May 25, 2018. GDPR will supersede the UK Data Protection Act 1998 and expands the rights of individuals to control how their personal information is collected and processed. GDPR places a range of new obligations on the Company to be more accountable for data protection.

#### **Corporate and financial highlights of Q1 2018**

- Cash and cash equivalents were \$126.9 million at March 31, 2018 compared with \$138.0 million at December 31, 2017.
- Net loss of \$1.4 million (\$0.00 per share) for the three months ended March 31, 2018 compared with a net loss of \$1.3 million (\$0.01 per share) for the comparable period of 2017.
- Expenditures on mineral property under development for the three months ended March 31, 2018 were \$6.1 million compared with \$2.5 million, net of expected receipt from processing of mineralized material, during the comparable

<sup>1</sup> All amounts are in Canadian dollars unless otherwise noted

period in 2017. During Q1 2018, permitting and drilling were the largest spending categories as work focused on supporting the Planning Application and infill and step-out drilling.

- As of May 1, 2018, Dalradian had 355,493,448 common shares issued and outstanding and 367,579,114 common shares outstanding on a fully diluted shares basis.

### Outlook

Taking Curraghinalt to production is the Company's primary goal and will be advanced in 2018 through further drilling, engineering and geological studies, and environmental and permitting activities. The Company expects to release a mineral resource update during Q2 2018, followed by an updated FS during Q3 2018. In addition, Dalradian will also continue to explore its large land package to delineate targets for drilling. Permitting activities will include preparation and submission of applications for ancillary permits and consents and expanded stakeholder relations activities to support the Planning Application.

The overall budget for 2018 is approximately \$49 million for operational activities in Northern Ireland and Canada, including general and administrative costs. The two major items that represent approximately 50% of the operational budget are exploration and permitting, with planned expenditures roughly similar for the two areas. Mine planning and engineering work to produce an updated FS is the third-largest component at approximately 10% of the overall budget. During Q1 2018, operational spending totalled approximately \$9 million.

Working capital at March 31, 2018 was \$124 million compared to \$132 million at December 31, 2017. This financial strength supports 2018 plans to continue exploration and other work to increase the value of the Northern Ireland Properties, while simultaneously moving Curraghinalt through the permitting process.

Written submissions to the Company's consultation events held in November 2016 demonstrated majority support for the project. However, as with most regionally significant planning applications, there are a number of people who are currently opposed to the project. The planning system in Northern Ireland allows and encourages all interested parties to make their views known and to submit the specific reasons for their support or opposition. The Company respects the planning process in Northern Ireland and is confident the project will succeed because it is a responsible development that will bring sustainable economic and social benefits to the local area and Northern Ireland as a whole for years to come.

It is common, with respect to regionally significant planning applications in Northern Ireland, to have multiple legal challenges, including judicial reviews. A judicial review ("JR") is a type of court proceeding in which a judge reviews the lawfulness of a decision or action made by a public body; they are a challenge to the way in which a decision has been made, rather than the conclusion reached. Two JRs have been brought against government departments in Northern Ireland relating to decisions taken by these departments (on planning and environmental grounds) and Dalradian is a notice party. The first JR concerns the decision by the Department for Infrastructure to accept the Company's Planning Application and has a hearing date in mid-June. The second JR concerns the decision by the Department of Agriculture, Environment and Rural Affairs to grant a revised water discharge consent for the Company's exploration site. In June, the date for the hearing of the second JR will be set and it is expected to take place in the second half of the year. Both departments are robustly defending the proceedings and the decisions made. Dalradian, as a notice party, will also be submitting evidence in defence of the decision-making process. The timing and process for review of the Planning Application is not affected by the JR process and the application has continued to move through review and consultation steps. The Company will provide updates on any material developments regarding the JRs.

### Supporting Documents

The Q1 2018 year-end Financial Statements (not including notes) can be found below. The full Q1 2018 Management Discussion and Analysis and Financial Statements are available on [www.dalradian.com](http://www.dalradian.com) and on [www.sedar.com](http://www.sedar.com).

**Condensed Consolidated Statement of Financial Position**

(Expressed in Thousands of Canadian dollars)  
(Unaudited)

	<b>As at Mar. 31, 2018</b>	<b>As at Dec. 31, 2017</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents .....	\$ 126,929	\$ 137,963
Amounts receivable .....	1,508	651
Prepaid expenses and other assets .....	661	685
	<u>129,098</u>	<u>139,299</u>
Non-Current assets:		
Restoration deposit .....	1,130	1,058
Property, plant and equipment .....	173,033	166,347
Exploration and evaluation assets .....	5,209	4,601
	<u>179,372</u>	<u>172,006</u>
	<u>\$ 308,470</u>	<u>\$ 311,305</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities .....	\$ 5,086	\$ 7,141
Provision for reclamation .....	176	356
	<u>5,262</u>	<u>7,497</u>
Non-Current liabilities:		
Provision for reclamation .....	<u>942</u>	<u>695</u>
Shareholders' equity:		
Share capital .....	359,753	359,737
Warrants .....	-	48
Contributed surplus .....	15,744	15,146
Accumulated deficit .....	<u>(73,231)</u>	<u>(71,818)</u>
	<u>302,266</u>	<u>303,113</u>
	<u>\$ 308,470</u>	<u>\$ 311,305</u>

**Condensed Consolidated Statement of Loss and Comprehensive Loss**

(Expressed in Thousands of Canadian dollars, except per share amounts)  
(Unaudited)

	<b>Three months ended Mar. 31, 2018</b>	<b>Three months ended Mar. 31, 2017</b>
Operating expenses:		
Salaries and related benefits .....	\$ 854	\$ 484
Professional fees and consulting .....	128	229
Share-based payments .....	493	245
Investor relations and travel .....	340	242
Office, regulatory and general .....	283	193
Interest and bank charges .....	3	4
Depreciation .....	1	1
Foreign exchange gain .....	(234)	(54)
	<u>\$ 1,868</u>	<u>\$ 1,344</u>
Interest income .....	<u>455</u>	<u>63</u>
Loss and comprehensive loss for the period .....	<u>\$ (1,413)</u>	<u>\$ (1,281)</u>
Loss per share – basic and diluted .....	<u>\$ -</u>	<u>\$ (0.01)</u>

**Condensed Consolidated Statement of Shareholders' Equity**

(Expressed in Thousands of Canadian dollars)  
(Unaudited)

	<b>Three months ended Mar. 31, 2018</b>	<b>Three months ended Mar. 31, 2017</b>
<b>Share capital:</b>		
Balance, beginning of period .....	\$ 359,737	\$ 195,975
Warrants exercised .....	-	9,932
Share-based payments exercised .....	16	74
Balance, end of period .....	<u>\$ 359,753</u>	<u>\$ 205,981</u>
<b>Warrants:</b>		
Balance, beginning of period .....	\$ 48	\$ 10,746
Warrants exercised .....	-	(2,077)
Warrants expired .....	(48)	(48)
Balance, end of period .....	<u>\$ -</u>	<u>\$ 8,621</u>
<b>Contributed surplus:</b>		
Balance, beginning of period .....	\$ 15,146	\$ 12,315
Increase from share-based payments .....	566	298
Warrants expired .....	48	48
Share-based payments exercised .....	(16)	(74)
Balance, end of period .....	<u>\$ 15,744</u>	<u>\$ 12,587</u>
<b>Accumulated deficit:</b>		
Balance, beginning of period .....	\$ (71,818)	\$ (64,114)
Loss and comprehensive loss for the period .....	(1,413)	(1,281)
Balance, end of period .....	<u>\$ (73,231)</u>	<u>\$ (65,395)</u>
Total shareholders' equity .....	<u>\$ 302,266</u>	<u>\$ 161,794</u>

**Condensed Consolidated Statement of Cash Flows**

(Expressed in Thousands of Canadian dollars)  
(Unaudited)

	<u>Three months ended Mar. 31, 2018</u>	<u>Three months ended Mar. 31, 2017</u>
Cash flows from (used in) operating activities:		
Loss and comprehensive loss for the period .....	\$ (1,413)	\$ (1,281)
Items not affecting cash:		
Unrealized foreign exchange gain on cash .....	(393)	(64)
Interest income .....	(455)	(63)
Depreciation .....	1	1
Share-based payments .....	493	245
Unrealized foreign exchange gain on restoration deposit .....	-	(9)
Change in non-cash operating working capital:		
Amounts receivable .....	(843)	126
Prepaid expenses and other assets .....	(17)	(7)
Accounts payable and accrued liabilities .....	(698)	(623)
Cash disbursements related to reclamation .....	(6)	-
Cash flows used in operating activities .....	<u>\$ (3,331)</u>	<u>\$ (1,675)</u>
Cash flows from financing activities:		
Exercise of warrants .....	\$ -	\$ 7,855
Cash flows from financing activities .....	<u>\$ -</u>	<u>\$ 7,855</u>
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets .....	\$ (168)	\$ (78)
Additions to property, plant and equipment .....	(8,369)	(5,501)
Interest received .....	441	63
Cash flows used in investing activities .....	<u>\$ (8,096)</u>	<u>\$ (5,516)</u>
Net change in cash and cash equivalents .....	(11,427)	664
Cash and cash equivalents, beginning of period .....	137,963	35,719
Effect of exchange rate fluctuations on cash held .....	393	64
Cash and cash equivalents, end of period .....	<u>\$ 126,929</u>	<u>\$ 36,447</u>

**About Dalradian**

Dalradian 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.

**For more information:**

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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 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, such as 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 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, 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 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, 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.