

TheNewswire / May 16, 2016 - [Golden Reign Resources Ltd.](#) (the "Company" or "Golden Reign")(TSX-V: GRR) is pleased to announce that it has received proceeds of \$324,058 from the exercise of 6,481,155 share purchase warrants. All participating warrant holders under the 2015 warrant incentive program exercised their warrants.

The Company is in a strong cash position after the warrant exercise and the recently completed, oversubscribed, non-brokered private placement which raised \$3,116,640. Proceeds from the warrants exercised and the private placement will be used to advance the San Albino Gold Deposit, and for general working capital.

Update on Current Drill Program at San Albino Gold Deposit

Golden Reign's wholly-owned San Albino Gold Deposit, located in Nueva Segovia, Nicaragua, is a low tonnage, high-margin gold project with a robust estimated average mined diluted grade of 8.02 g/t AuEq. (see new release dated March 16, 2015 entitled "PEA Results for San Albino OP/UG Gold Deposit Indicates All-In Sustaining Cash Costs of US\$460/oz Gold & Average Grade of 8.02 g/t AuEq").

On April 5, 2016, Golden Reign announced the commencement of drilling. Key objectives of the program are to obtain:

- sufficient mineralized material for the final stage of metallurgical test work; and
- additional information from infill drilling to refine and optimize the current mine plan.

The drill program was designed to provide test material comprised of oxide and fresh rock mineralization, to allow further optimization of the proposed mill flow-sheet and improve the quality of the overall recoveries. Prior metallurgical testing has already shown excellent gold recoveries from high grade material (see new release dated March 27, 2014 entitled "Golden Reign Recovers 91% Of Gold in Metallurgical Tests of Potential Oxide Open Pit").

Golden Reign intends to target near-surface open pit mineralization, to be mined from four separate areas - West Pit, SW Pit, NE Pit and Central Pit. Additional infill drilling, combined with trenching of the in-between areas, has the potential to increase mineable open pit resources and result in the mining of fewer, larger open pits.

To date, a total of 34 holes have been cored over an aggregate 1,462 metres. Eleven holes were drilled at the Arras prospect (Central Pit). A further 23 holes have targeted the San Albino mineralized zone (West Pit).

Arras

At Arras (Central Pit), 3 of the 11 holes were drilled for mineralized fresh rock for use in metallurgical testing. Eight short holes provided oxidized mineralization, also for metallurgical testing.

Excavation of additional trenches, exploration pits and side cuts is underway to generate enough intersections to upgrade the existing block model and increase the resource confidence with respect to tonnage and grades.

The Company also initiated testing of a large historical dump via a series of exploration pits. Previous excavation undertaken by Golden Reign indicates that some parts of the dump may contain highly mineralized material accumulated but never processed by historical operations.

San Albino

Drilling of the fresh rock mineralization at San Albino (West Pit) is nearly complete. This drilling was designed as infill - to provide information in areas where original drill data was lacking or drill holes were spaced too far apart. With this testing, Golden Reign seeks to prove further continuity of the mineralized zones, thus enhancing the confidence of the resources.

Drilling of the San Albino oxide zone mineralization has commenced and should be completed in approximately two weeks' time. This drilling will also test the grade and continuity of the mineralized zones - including a new zone, El Jobo, which is situated above the main mineralized zone (San Albino). El Jobo was detected by previous drilling but lacked the continuity to contribute materially to the mineral resource calculation.

On behalf of the Board,

"Kevin Bullock"

Kevin Bullock, P.Eng.

CEO

For additional information please visit our website at www.goldenreign.com and SEDAR www.sedar.com.

Forward-Looking Statements: Some of the statements contained herein may be forward-looking statements which involve known and unknown risks and uncertainties. Such forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to political risks involving the Company's exploration and development of mineral properties interests, the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, the inability or failure to obtain adequate financing on a timely basis and other risks and uncertainties. Such information contained herein represents management's best judgment as of the date hereof, based on information currently available.

The TSX Venture Exchange has not reviewed and does not accept responsibility

for the adequacy or accuracy of this news release.

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