TORONTO, ONTARIO--(Marketwired - Dec. 12, 2016) - Dalradian Resources Inc. (TSX:DNA)(AIM:DALR) ("Dalradian" or the "Company") is pleased to announce the results of the independent Feasibility Study ("FS") prepared in accordance with National Instrument 43-101 ("NI 43-101") for its 100% owned Curraghinalt Gold Project ("Curraghinalt" or the "Project") in Northern Ireland. Unless otherwise stated, all dollar amounts are quoted in U.S. dollars ("$").

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

"The Feasibility Study outlines a project with high expected profitability and returns and demonstrates the strong economic case for advancing Curraghinalt to development. One of the project's main competitive strengths is the high reserve grade, which would place it in the top 10% of gold mines world-wide[1]. What is also very encouraging is that there are multiple opportunities to enhance the economics and extend the project life.

We are particularly pleased that our test-mining showed the viability of mechanized underground mining methods for this deposit and returned consistently higher grades than those predicted by the resource model. The FS sensitivities demonstrate considerable potential for grade upside, such that a 20% grade improvement increases after-tax NPV by 64% and after-tax IRR by 39%."

We aim to build Europe's leading gold mine using best-in-class mining, processing and environmental standards, while facilitating economic development in Northern Ireland with the creation of at least 350 permanent jobs during operations. We recently held community consultation events on the proposed mine, with more than 270 people in attendance. We are addressing community consultation feedback and incorporating it into our plans wherever possible."

[1] Source: Canaccord Genuity analysis of the 2015 operating results of 232 gold mines worldwide

Feasibility Study Highlights

- Net Present Value ("NPV") of $301 million (CDN$402 million) after tax (at a 5% discount rate) and Internal Rate of Return ("IRR") of 24.4% after tax, at an assumed gold price of $1,250/ounce
- Proven & Probable Mineral Reserves of 1.44 million ounces of gold and 0.66 million ounces of silver (5.24 million tonnes at 8.54 g/t Au and 3.9 g/t Ag), a subset of the Measured and Indicated Resources of 2.10 million ounces of gold (5.61 million tonnes at 11.61 g/t Au). The FS excludes Inferred Resources of 2.31 million ounces of gold (7.13 million tonnes at 10.06 g/t Au)
- Life of mine ("LOM") production of approximately 1.36 million ounces of gold and 0.38 million ounces of silver over an initial 10.5 year mine life using an average overall gold recovery of 94.3%
- Average annual gold production of 130,000 ounces in first 10 years with an average LOM total cash cost of $556/oz and a LOM all-in sustaining cash cost ("AISC") of $674/oz
- Estimated initial capital cost, including contingency, of $192.0 million with payback of 4.0 years, and LOM sustaining capital costs of $165.1 million
- At year five, production increases above 150,000 oz/yr, with peak production achieved in year 7, at 170,000 ounces. There is potential to maintain this higher rate of production beyond year 7 with conversion of existing Inferred Mineral Resources
- Curraghinalt will be operated using automation, mechanized underground mining methods and best-in-class processing. The dry stack tailings from the process will not have not come into contact with cyanide.
- Creation of several hundred new jobs: during the 18-24 month construction period, direct employment is estimated to be at least 300; once the mine is in operation, it is expected to employ at least 350 people in permanent positions

Project Enhancement Opportunities

There are numerous opportunities to further enhance Curraghinalt project economics including:

- Enhancement of the deposit grade via tighter drill spacing and detailed definition of high grade ore shoots within mineralized zones (see Figures 1 and 2, all figures referenced in this news release can be accessed at http://www.dalradian.com/news-and-events/news-releases/news-releases-details/December-12-2016-News-Release-Figures)
- Mine life extension from (i) conversion of Inferred Resources to Measured and Indicated Resources and then into reserves with infill drilling and (ii) overall resource and reserve growth from step-out drilling along strike and at depth combined with exploring the potential for new veins parallel to the those already defined
- Reduction of operating costs with additional geotechnical programs to maximize long-hole mining methods
- Ore sorting technology to increase the grade and reduce the tonnage of material entering the processing plant. Test work is currently underway and shows positive preliminary results, with final results expected in H1 2017.

The FS was prepared under the direction of JDS Energy & Mining Inc. ("JDS"), an international engineering firm with extensive experience in both the construction and operation of mining projects. The study was supported by SRK Consulting, and is being summarized into a Technical Report (the "Dalradian Technical Report") to be filed on SEDAR in accordance with NI 43-101. The FS confirms that the Project is expected to support an economically viable and robust, high grade underground gold mine.

Table 1 - NPV and IRR pre-tax and after-tax

	Pre-Tax	After-Tax
Net Present Value @ 5% discount rate (NPV_5)	$371.7 M	$301.3 M
Internal Rate of Return (IRR)	27.8%	24.4%
Payback (Years)	3.6	4.0

Note: All figures are reported on a 100% equity project basis valuation. Capital payback is calculated based on start of production.

Table 2 - Cash flow over the initial three years of production and LOM

$M	Year 1	Year 2	Year 3	LOM
Total Revenue (Au & Ag)	120.2	164.2	172.9	1,700.5
Total Operating Costs	58.8	64.8	65.2	647.3
Transportation, Royalties & Refining	7.6	10.3	10.8	106.9
Operating Margin	53.9	89.1	96.8	946.4
Capital Costs	41.7	19.9	17.0	357.1
Working Capital	0.6	0.6	(0.4)	-
Corporate Taxes	0.7	7.6	9.7	96.7
Undiscounted After tax Cash Flow	10.9	61.1	70.4	492.6

Note: the cash flow is based on assumed prices of $1,250/ounce for gold and $17/ounce for silver and exchange rates of $1.20 USD:GBP and $0.75 USD:CAD

Gold Price Sensitivity

The Project sensitivity analysis shows that a $100/oz variation from the base case gold price had the following impact on the Project after tax economics, with silver held at $17/oz.

Table 3 - Gold price sensitivity

	$1,150/oz	Base Case $1,250/oz	$1,350/oz
NPV_5 ($M)	224.6	301.1	378.0
IRR (%)	20.1	24.4	28.4
Payback (Years)	4.5	4.0	3.4

Grade Sensitivity

The Project sensitivity analysis indicated that variations from the base case gold grade had the following impact on the Project after tax economics, with silver held at $17/oz.

Table 4 - Grade sensitivity

	-20%	-15%	-10%	-5%	Base Case 8.54 g/t	+5%	+10%	+15%	+20%
NPV_5 ($M)	108	157	206	253	301.1	349	397	445	493
IRR (%)	13%	16%	19%	22%	24.4	27%	29%	32%	34%
Payback (Years)	5.6	5.1	4.6	4.3	4.0	3.6	3.3	3.1	2.9

Combined results from three test stopes completed in 2016 demonstrated a 50%-plus improvement in gold ounces recovered compared to the resource model on the V-75 vein (see news releases of September 14, 2016 and December 8, 2016 for details). This is a direct result of a higher than expected grade in those areas. At a broader scale, the resource table below shows that tighter drill spacing results in higher grade with gold grades increasing from 10.1 g/t in Inferred, to 11.5 g/t in Indicated to 27.0 g/t in Measured.

Economic Benefits to Northern Ireland

The FS confirms that development of Curraghinalt is expected to provide substantial economic benefits to Northern Ireland at the local, county and national levels, including:

- During the 18-24 month construction period the project is expected to generate direct employment of at least 300 people
- When the mine is in operation, it is projected to directly employ at least 350 people in permanent positions, excluding any contractors and support staff
- It is estimated that the mine will pay annual wages of approximately $26 million (£21 million) to direct employees
- We believe the project will also generate several hundred indirect jobs with suppliers of products and services to support mine operations

- Based on a gold price of $1,250 per ounce, the Project is anticipated to generate average payments annually to the Government totalling approximately $21 million (£18 million) in the form of income tax, corporate tax and national insurance contributions
- Training and skills development aimed at maximizing local employment at the project
- Expected improvement of local and regional infrastructure
- Continuation and increase of existing community investment programs, small business development and support of cultural development

Note that according to regulations a feasibility study is only permitted to incorporate Measured and Indicated resources in its calculations. Measured and Indicated Mineral Resources represent less than 50% of total Mineral Resource ounces identified to date at the deposit. However, the Environmental and Social Impact Assessment ("ESIA") and Planning Application will take into consideration the Inferred Mineral Resource with a view to permitting a mine with a life of greater than 20 years.

FEASIBILITY STUDY DETAILS

Mineral Resources

The Curraghinalt gold deposit is an orogenic gold system consisting of a series of moderately to steeply dipping, structurally controlled, high-grade gold bearing quartz-carbonate veins. The deposit remains open in all directions. The Mineral Resource estimate incorporates information from 175 infill drill holes (51,215 metres) and underground samples from new and existing drifts along the T17, Sheep Dip, 106-16, V-75, Slap Shot and No. 1 Vein Zones. The Measured Mineral Resources are higher grade than the Indicated and Inferred Mineral Resources.

The current Mineral Resource estimate consists of 2.1 million ounces of contained gold in the Measured and Indicated categories (5.61 million tonnes at 11.61 g/t) and 2.3 million ounces of contained gold in the Inferred category (7.13 million tonnes at 10.06 g/t gold).

Table 5 - Mineral Resources, inclusive of Mineral Reserves (as set forth in Table 6 below) as at May 5, 2016

Mineral Resource Statement, Curraghinalt Gold Project, Northern Ireland
SRK Consulting (Canada) Inc., May 5, 2016

Resource Category (Cut-off Grade of 5.0 g/t)	Million Tonnes	Contained Grade (g/t Au)	Gold (ounces)
Measured	0.03	26.99	25,000
Indicated	5.58	11.53	2,069,000
Measured + Indicated	5.61	11.61	2,094,000
Inferred	7.13	10.06	2,306,000

Notes:

1. Mineral Resource Statement prepared by SRK Consulting (Canada) Inc. in accordance with NI 43-101 with an effective date of May 5, 2016 and the corresponding NI 43-101 technical report was filed on SEDAR.
2. Mineral Resources are not Mineral Reserves and have no demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, marketing, or other relevant issues. The Mineral Resources have been classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 2014).
3. All figures have been rounded to reflect the relative accuracy of the estimates.
4. The Mineral Resources are reported at a cut-off grade of 5.0 g/t gold, based on a gold price of $1,200 per ounce and 95% gold recovery.

Mineral Reserves and Mining

The estimated Mineral Reserves, presented by reserve class, are shown in the following table. The overall diluted gold grade of the mineralized material going to the mill is estimated at 8.54 g/t.

Table 6 - Probable Mineral Reserves as at December 12, 2016

Category	Diluted Tonnes (t)	Au Grade (g/t)	Au Ounces (oz)	Ag Grade (g/t)	Ag Ounces (oz)
Proven	28,000	18.93	17,000	10.0	9,000
Probable	5,211,000	8.48	1,421,000	3.9	655,000

TOTAL	5,239,000	8.54	1,438,000	3.9	664,000

Notes:

1. The Qualified Person for the Mineral Reserve estimate is Michael Makarenko, P. Eng., of JDS Energy & Mining Inc.
2. Mineral Reserves have an effective date of December 12, 2016. All Mineral Reserves in this table are Proven and Probable Mineral Reserves. The Mineral Reserves are not in addition to the Mineral Resources, but are a subset thereof.
3. Mineral Reserves were estimated using a $1,200/oz gold price and gold cut-off grade of 5.0 g/t. Other costs and factors used for gold cut-off grade determination were mining, process and other costs of $165/t, transport and treatment charges of $6.00/oz Au. A royalty of $71.50/oz Au and a gold metallurgical recovery of 94% were assumed.
4. Silver was not used in the estimation of cut-off grades but is recovered and contributes to the revenue stream.
5. Tonnages are rounded to the nearest 1,000 t, gold grades are rounded to two decimal places, and silver grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.
6. Rounding as required by reporting guidelines may result in summation differences.

The Curraghinalt deposit is expected to be accessed by the existing exploration adit and a new ramp to be developed adjacent to the proposed plant site. This new ramp will serve as the primary access to the mine for personnel, materials and haulage of mineralized material to the plant site. Annual ore production of up to 511,000 tonnes (1,400 tonnes per day) is planned from a combination of primary longitudinal long-hole retreat, with some cut & fill mining methods and development along the veins. Sub-levels are set at 18 metre intervals (floor to floor) with primary cross cuts spaced approximately 200 metres apart to access the 16 mineralized veins in the deposit. The recent test stoping program at Curraghinalt successfully demonstrated the long-hole mining method at vein dips ranging between 55-75 degrees with good control on dilution. In zones of more challenging ground conditions or shallow dip, methods including cut & fill and uppers retreat will be used.

Processing

Curraghinalt mineralization is expected to be processed using a crush, grind, flotation and leach flowsheet to recover gold and silver into doré. Extensive metallurgical test work has shown overall gold and silver recoveries of 94.3% and 57.9% can be expected over the LOM using a coarse primary grind size of approximately 80% passing 240 microns. Gold in sulphide is concentrated in the flotation process with an average mass pull of 11.2% with over 97% of the gold recovered. After re-grinding the concentrate to approximately 80% passing 50 microns, the leaching circuit recovers approximately 96% of the gold after 48 hours of retention time. The process plant uses the industry standard $S0_2$/air treatment process to destroy the cyanide and directs the tailings to the paste backfill plant to be stored in the underground mine. Tailings from the flotation circuit, which will not have come into contact with cyanide, are expected to be filtered and placed as dry stack material in the mine waste storage facility and also used to complete the underground paste backfill requirement. Throughout the process, water is expected to be recycled and returned back to the process plant to minimize the impact on the environment. The water treatment plant includes reverse osmosis.

Capital & Operating Costs

The initial capital cost is estimated to be $192.0 million. This capital cost was estimated under the assumption that any expenditures by the Company prior to the start of construction are a sunk cost and are not included the estimate shown in Table 7. The sustaining capital is estimated to be $165.1 million including reclamation and closure costs.

Table 7 - Capital Cost Summary

CAPEX	Pre-Production	Sustaining	LOM
	$M	*$M*	*$M*
Mining incl. Paste Plant	45.9	142.6	188.5
Site Development	8.7	2.0	10.7
Crushing & Handling	6.5	1.4	7.9
Mineral Processing Plant	36.9	4.1	41.0
On-Site Infrastructure	28.9	-	28.9
Off-Site Infrastructure	4.9	-	4.9
Tailings Management	1.4	2.6	4.0
Indirect Costs	20.4	2.2	22.6
Owners Costs	13.2	-	13.2
Closure Assurance	7.5	(7.5)	-
Closure Net of Salvage	-	11.4	11.4
Contingency	17.6	6.4	24.0
Total	192.0	165.1	357.1

The LOM operating cost estimate is $143.94 per tonne of mineralized material. The operating costs were estimated based on

process design criteria, equipment lease rates (if applicable), labour, reagents, power, fuel, explosives, maintenance and other miscellaneous costs. All costs are in Q4 2016 dollars and noted in Table 8 below.

Table 8 - LOM Operating Cost by Area

OPEX	LOM Unit Cost		
	$M	*$/tonne*	*$/ payable Au oz*
Mining	442	84.44	326.43
Processing	146	*27.83*	107.60
General & Admin	59	11.27	43.57
Subtotal - On-Site OPEX	647	123.54	477.60
Refinement/Transport	5	0.93	3.60
Royalties	102	19.46	75.24
Subtotal - Off-Site OPEX	107	20.39	78.84
All-in OPEX	754	143.94	556.44

Note: all cash cost information is net of silver by-product credits of $4.77/oz.

Infrastructure

The Curraghinalt project has the advantage of being located approximately 100 km west of the City of Belfast and approximately 60 km south of Derry/Londonderry, both of which have port facilities. The proposed site is in a natural hollow surrounded by mature trees and near to the communities of Greencastle, Rouskey, Gortin and Omagh. The site is accessible by major highways with grid power and other services close by.

The power requirements are expected to be met by an extension to the regional high voltage transmission network. A single circuit 33 kV dedicated transmission line, 40 km long, will be built to feed the Project.

Next Steps

- Continuing stakeholder engagement
- ESIA completion
- Planning application submission
- Ore sorting test program results
- Additional infill and geotechnical evaluation of deposit
- Drilling program to potentially increase the Measured & Indicated Mineral Resources
- Basic and detailed engineering

Technical Information

The Dalradian Technical Report summarizing the results of the FS is being prepared in accordance with NI 43-101 and will be filed under the Company's profile on SEDAR within 45 days of this press release. The Qualified Persons (QPs) for the Dalradian Technical Report include:

JDS Energy & Mining: Garett Macdonald, P. Eng.; Michael Makarenko, P. Eng.; Stacy Freudigmann, P. Eng.; Indi Gopinathan, P. Eng.

SRK Consulting (UK): Jane Joughin, M. Sc., PrSciNat; Robert Bowell, Ph. D., C. Chem., C. Geol., E. Geol.; William Harding, M. Sc.

SRK Consulting (Canada): Cam Scott, P. Eng.; Bruce Murphy, P. Eng.

WSP Canada: Annie Lavoie, P. Eng.; Jean-Philippe Grenier, P. Eng.

In this news release, the QP for the Mineral Resource estimate is Dr. Jean-Francois Couture, P. Geo. (APGO#0197) and Dr. Oy Leuangthong, P. Eng, (PEO#90563867), both of SRK Consulting (Canada) Inc., and the QP for the Mineral Reserve estimate Michael Makarenko, P. Eng., of JDS.

Other than as set forth above, all scientific and technical information contained in this press release has been reviewed, verified

and approved by Eric Tremblay, P. Eng., a mining engineer and the Company's COO, who is a Qualified Person under NI 43-101.

For information on the Project, including the Mineral Resource estimate set forth above, please see the technical report filed on SEDAR at www.sedar.com, entitled, "Technical Report for the Northern Ireland Gold Project, Northern Ireland", dated June 17, 2016 and prepared by Dr. Jean-Francois Couture, PGeo (APGO#0197) and Dr. Oy Leuangthong, PEng (PEO#90563867), both of SRK Consulting (Canada) Inc. and Stacy Freudigmann, PEng (APEGBC #33972) of JDS Energy & Mining Inc. (the "2016 Technical Report").

For information with respect to the key assumptions, parameters and risks associated with the results of the FS for the Project, the Mineral Resource and Mineral Reserve estimates included therein and other technical information, please refer to the Dalradian Technical Report to be filed on SEDAR within the next 45 days.

Feasibility Study Conference Call

A conference call will be held on December 12, 2016 at 11:00am EST or 4:00pm GMT to discuss the Feasibility Study. Please call in 10 minutes before the conference call starts and stay on the line (an operator will be available to assist you).

Dial-In Numbers:
Toll-Free North America: 1 (877) 481-4446
Toll-Free United Kingdom: +0 800 051-7107
International: +1 (647) 427-2479
Conference ID: 36057893

To view the live webcast presentation, please log on using this direct link:
http://edge.media-server.com/m/p/xcwhn3qe

The presentation slideshow will also be available in PDF format for download from the Dalradian website http://www.dalradian.com/news-and-events/events-and-webcasts/event-details/2016/Feasibility-Study-Conference-Call-and-Webcas before the conference call.

About Dalradian Resources Inc.

Dalradian Resources Inc. is a gold exploration and development company that is focused on advancing its high-grade Curraghinalt Gold Project located in Northern Ireland, United Kingdom. The Company is completing a work program in support of a planning (permitting) application for construction of an operating mine at Curraghinalt. Completed components of the program include a feasibility study and underground exploration (960 metres of development with associated test stoping). An environmental and social impact assessment, which is nearing completion, will also form part of the planning application.

In May 2016, Dalradian announced an updated Mineral Resource estimate for Curraghinalt, including a 109% increase in gold ounces contained in the Measured and Indicated categories compared with the 2014 resource. The current Mineral Resource consists of 2.1 million ounces of contained gold in the Measured and Indicated categories (5.61 million tonnes at 11.61 g/t) and 2.3 million ounces of contained gold in the Inferred category (7.13 million tonnes at 10.06 g/t gold). For further information, see the 2016 Technical Report.

FORWARD-LOOKING STATEMENTS

This news 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 Reserves (including potential increases in estimates and conversion of Inferred Mineral Resources), expected processing methods and estimated recoveries, the realization of Mineral Resource and 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, timing of the proposed ESIA, limitations of insurance coverage, the timing and possible outcome of pending regulatory matters and the realization of the expected economics 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 development programs, that skilled personnel and contractors will be available as Dalradian's operations continue to grow, 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 Reserve estimates and current mine plans, that the assumptions contained in each of the Dalradian Technical Report and the 2016 Technical Report are accurate and complete, that the results of the Environmental and Social Impact Assessment will be positive and delivered in accordance with the currently anticipated timetable 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. 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 news 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.

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