

TORONTO, ONTARIO--(Marketwired - May 5, 2017) - [Dalradian Resources Inc.](#) (TSX:DNA)(AIM:DALR) ("Dalradian" or the "Company") announces results for the three months ended March 31, 2017, including closing cash and cash equivalents of \$36.4 million¹.

Patrick F.N. Anderson, Dalradian's President and CEO, commented: "We've had a strong start to 2017. Our fully funded work program for the year continues with initial high-grade intercepts reported recently from underground infill drilling. We look forward to updating the market on additional drilling, both under and above ground, and ore-sorting results as they are received. We continue to see warrant exercises from a number of holders, demonstrating a commitment to advancing the project beyond 2017."

Operational highlights as of May 4, 2017

- A fully funded work program at Curraghinalt is underway to further advance the project. The program includes infill, step-out and geotechnical drilling of approximately 40,000 metres, geotechnical studies and ore-sorting tests. During Q1 2017, the work program progressed by:
 - Commencement of the underground drill program (infill and geotechnical)
 - Initial review and program planning by the new geotechnical third-party consultant
 - Continuation of ore-sorting test work, with results expected during Q2 2017
- Drill results from the first 10 holes(2) in the 2017 program have been received with positive showings including:
 - 1.72 m of 28.23 g/t gold, including 0.50 m at 94.10 g/t gold, from the V75 vein in hole 17-CT-406b
 - 2.27 m of 15.32 g/t gold, including 0.25 m at 128.00 g/t gold, from the V75 vein in hole 17-CT-403
 - 0.62 m of 27.00 g/t gold from the No. 1 vein in hole 17-CT-417
 - 1.73 m of 11.89 g/t gold from the Crow vein in hole 17-CT-417
- Environmental and Social Impact Assessment ("ESIA"), permitting and stakeholder relations activities are continuing in support of the Planning Application to build a mine at Curraghinalt, which is expected to be submitted in 2017

Corporate and financial highlights of Q1 2017

- Cash and cash equivalents were \$36.4 million at March 31, 2017 compared with \$35.7 million at December 31, 2016
- Net loss of \$1.3 million (\$0.01 per share) for the three months ended March 31, 2017 compared with a net loss of \$2.0 million (\$0.01 per share) for the comparable period of 2016
- Expenditures on mineral property under development, net of expected receipt from processing of mineralized material, for the three months ended March 31, 2017 were \$2.5 million compared with \$8.8 million during the comparable period in 2016. During Q1 2017, spending on studies was lower since the Feasibility Study ("FS") was mostly completed in Q4 2016. Spending on drilling and underground development was \$3.8 million lower in Q1 2017 than in Q1 2016 because a new drill program was just beginning and the only underground development was in preparation for drilling. By comparison, in Q1 2016, there was a high level of both underground development and drilling in support of the FS. During Q1 2017, the cost of processing the mineralized material from underground development was \$4.4 million. This was offset by a receivable of \$5.4 million from the processing. There was no equivalent cost or receivable during Q1 2016. Permitting costs were somewhat higher during Q1 2017 as preparation of the Planning Application progressed.
- Warrants exercised during Q1 brought in total proceeds of \$7.9 million
- As of May 4, 2017, Dalradian had 250,789,372 Common Shares issued and outstanding

(1) All amounts are in Canadian dollars unless otherwise noted

(2) Refer to press release dated April 26, 2017 for full details

Outlook

The fully funded 2017 work program on Curraghinalt is well underway in support of further enhancing the project.

While moving Curraghinalt toward production is the Company's primary goal, Dalradian also continues to explore on its extensive land package of 122,000 hectares. The Company added two new licence areas in 2016 and is systematically completing early stage soil and stream sampling across all of its licence areas to provide baseline information for future exploration programs.

Supporting Documents

The Q1 2017 Financial Statements (not including notes) can be found below. The full Q1 2017 Management Discussion and

Condensed Consolidated Statement of Financial Position

(Expressed in Canadian dollars)

(Unaudited)

	As at Mar. 31, 2017	As at Dec. 31, 2016
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 36,447,366	\$ 35,719,242
Amounts receivable	5,941,176	666,166
Prepaid expenses and advance payments	498,391	506,785
	42,886,933	36,892,193
Non-Current assets:		
Restoration deposit	1,040,866	1,032,135
Property, plant and equipment	121,810,457	118,988,157
Exploration and evaluation assets	4,020,845	3,943,077
	126,872,168	123,963,369
	\$ 169,759,101	\$ 160,855,562

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable and accrued liabilities	\$ 6,930,331	\$ 4,908,196
Current portion of provision for reclamation	350,700	347,844
	7,281,031	5,256,040

Non-Current liabilities:

Provision for reclamation	684,700	679,124
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Shareholders' equity:

Share capital	205,981,304	195,974,511
Warrants	8,620,480	10,745,550
Contributed surplus	12,586,361	12,314,675
Accumulated deficit	(65,394,775)	(64,114,338)
	161,793,370	154,920,398

\$ 169,759,101 \$ 160,855,562

Condensed Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016
Operating expenses:		
Salaries and related benefits	\$ 484,246	\$ 550,316
Professional fees and consulting	228,929	467,331
Share-based payments	244,940	156,497
Investor relations and travel	242,336	208,320
Office, regulatory and general	192,713	192,951
Interest and bank charges	3,517	4,223
Amortization	1,152	1,152
Foreign exchange loss (gain)	(54,121)	441,070
	\$ 1,343,712	\$ 2,021,860
Interest income and other	63,275	50,967

Loss and comprehensive loss for the period	\$ (1,280,437	) \$ (1,970,893)
Loss per share - basic and diluted	\$ (0.01	) \$ (0.01)

Condensed Consolidated Statement of Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016	
Share capital:			
Balance, beginning of period	\$ 195,974,511	\$ 162,680,450	
Common shares issued	-	121,500	
Warrants exercised	9,932,313	-	
Share-based payments exercised	74,480	261,131	
Balance, end of period	\$ 205,981,304	\$ 163,063,081	
Warrants:			
Balance, beginning of period	\$ 10,745,550	\$ 15,019,060	
Warrants exercised	(2,077,303) -	
Warrants expired	(47,767	) (43,783)
Balance, end of period	\$ 8,620,480	\$ 14,975,277	
Contributed surplus:			
Balance, beginning of period	\$ 12,314,675	\$ 12,533,961	
Increase from share-based payments	298,399	177,863	
Warrants expired	47,767	43,783	
Share-based payments exercised	(74,480	) (161,131)
Balance, end of period	\$ 12,586,361	\$ 12,594,476	
Accumulated deficit:			
Balance, beginning of period	\$ (64,114,338	) \$ (56,293,888)
Loss and comprehensive loss for the period	(1,280,437	) (1,970,893)
Balance, end of period	\$ (65,394,775	) \$ (58,264,781)
Total shareholders' equity	\$ 161,793,370	\$ 132,368,053	

Condensed Consolidated Statement of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Three months ended Mar. 31, 2017	Three months ended Mar. 31, 2016	
Cash flows from (used in) operating activities:			
Loss and comprehensive loss for the period	\$ (1,280,437	) \$ (1,970,893)
Items not affecting cash:			
Unrealized foreign exchange loss (gain) on cash	(63,573	) 582,378	
Interest income and other	(63,275	) (50,967)
Amortization	1,152	1,152	
Share-based payments	244,940	156,497	
Unrealized foreign exchange loss (gain) on restoration deposit	(8,731	) 108,405	
Change in non-cash operating working capital:			
Amounts receivable	125,978	(214,065)
Prepaid expenses and advance payments	(6,876	) (10,380)
Accounts payable and accrued liabilities	(624,057	) 102,571	
Cash flows used in operating activities	\$ (1,674,879	) \$ (1,295,302)

Cash flows from financing activities:		
Exercise of warrants	\$ 7,855,010	\$ -
Exercise of options	-	100,000
Cash flows from financing activities	\$ 7,855,010	\$ 100,000
Cash flows from (used) in investing activities:		
Expenditures on exploration and evaluation assets	\$ (77,768	) \$ (8,196,693)
Additions to property, plant and equipment	(5,501,187	) (2,275,513)
Interest received	63,375	57,962
Cash flows used in investing activities	\$ (5,515,580	) \$ (10,414,244)
Net change in cash and cash equivalents	664,551	(11,609,546)
Cash and cash equivalents, beginning of period	35,719,242	43,322,899
Effect of exchange rate fluctuations on cash held	63,573	(582,378)
Cash and cash equivalents, end of period	\$ 36,447,366	\$ 31,130,975

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.

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 subsidiary 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.

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