

Note to editors: There is a map associated with this press release.

[Darnley Bay Resources Ltd.](#) (TSX VENTURE:DBL) (the "Company" or "Darnley Bay") announces that it is targeting an additional 16 historical deposits for confirmation drilling at it's Pine Project lead-zinc project in the Northwest Territories (the "Pine Point Property").

"When Darnley Bay acquired the Pine Point project, we acquired a massive trove of historical information, and since the Preliminary Economic Analysis was completed in April, have been examining this database for additional resources to significantly increase the tonnage and possible size of the eventual mine," says Jamie Levy, President and CEO of the Company. "If all or most of the historical deposits are estimates, we will be considering a significantly larger mine when we undertake the feasibility study."

Historically, there has been more than 1.3 million metres of drilling on the property in more than 18,000 drill holes. The original PEA included a plan to mine 10 open pit deposits in sequence (press release dated April 18, 2017). These deposits contain an estimated 25.8 million tonnes of Measured and Indicated Resources grading 2.94% zinc and 1.12% lead, and an additional 3.7 million tonnes of Inferred Resources grading 2.9% zinc and 0.77% lead. These deposits represent a small portion of the 46 deposits that list historic resources on the Pine Point Property, which were discovered by former operators Cominco and Westmin.

The following 16 deposits will be subject to confirmation drilling during the 2017-18 drilling campaign:

TABLE 1

East Millsite Area

Deposit_Name	Resource_Ind_tonnes	Grade_Pb_PCT	Grade_Zn_PCT	Resource_Inf_tonnes	Grade_Pb_PCT	Grade_Zn_PCT
L‐36	1,598,840	1.50	4.10	1,222,400	1.50	2.40
L‐35	221,550	5.20	6.90	0	0.00	0.00
L‐30	0	0.00	0.00	248,400	1.10	6.10
K‐35	666,280	1.30	3.90	1,935,800	0.50	2.90
K‐32	207,450	2.90	5.20	759,900	0.50	2.00
TOTAL	2,694,120	1.86	4.37	4,166,500	0.83	2.78

Cluster Pit Area

Deposit_Name	Resource_Ind_tonnes	Grade_Pb_PCT	Grade_Zn_PCT	Resource_Inf_tonnes	Grade_Pb_PCT	Grade_Zn_PCT
K‐60	200,130	2.30	13.20	0	0.00	0.00
K‐66N/S	0	0.00	0.00	564,600	0.80	3.70
R‐67	372,150	3.00	9.70	0	0.00	0.00
TOTAL	572,280	2.76	10.92	564,600	0.80	3.70

South Millsite Area

Deposit_Name	Resource_Ind_tonnes	Grade_Pb_PCT	Grade_Zn_PCT	Resource_Inf_tonnes	Grade_Pb_PCT	Grade_Zn_PCT
M‐40	376,680	1.40	5.50	1,384,500	1.10	5.40

North Trend Area

Deposit_Name	Resource_Ind_tonnes	Grade_Pb_PCT	Grade_Zn_PCT	Resource_Inf_tonnes	Grade_Pb_PCT	Grade_Zn_PCT
X‐58N	0	0.00	0.00	690,600	0.90	3.70
Z‐60N	367,760	0.80	4.90	0	0.00	0.00
X‐59N	0	0.00	0.00	337,800	2.10	5.40
X‐61N	475,060	2.80	5.10	0	0.00	0.00
X‐71	303,050	7.10	11.20	0	0.00	0.00
V‐90	0	0.00	0.00	478,700	0.70	2.80
Z‐61N	0	0.00	0.00	250,900	0.30	2.80
TOTAL	1,145,870	3.30	6.65	1,758,000	0.99	3.65

GRAND TOTAL	4,788,950	2.28	5.78	7,873,600	0.91	3.50
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To view the map associated with this press release, please visit the following link:
<http://media3.marketwire.com/docs/MAP110007.jpg>

So far, 23 confirmation holes have been drilled in the East Millsite Area, which has five historical deposits and though assays are pending, it appears that the confirmation drilling is intersecting mineralized zones where expected. It also appears that these deposits are close enough together that they may be amenable to one larger open pit. Together the historical resources in the East Millsite area contain 2,694,120 tonnes of Indicated Resources grading 4.37% zinc and 1.86% lead, and an additional 4,166,500 tonnes of Inferred Resources grading 2.78% zinc and 0.83% lead.

Another focus of drilling has been the L65 deposit, which was included in the PEA mine plan. The deposit as described in the PEA is estimated to contain 1,578,000 tonnes grading 1.95% zinc and 0.7% lead. Work to date has focused expanding the resource particularly to the west where only limited drilling was completed in the past. The work indicates that there appear to be two distinct deposits, L-65 East and L-65 West. Drilling on the L-65 East deposit has not resulted in a material increase in size. However, drilling on the L-65 West deposit has expanded the size considerably. Initial assays have been received and will be released in the near future. The summer portion of the drilling on L-65 is nearly complete, with 49 holes for 5,222 metres, and drilling will continue on the L-65 West deposit in the winter in areas located over swampy ground. A new resource will be calculated when the winter drilling is completed. Darnley Bay geologists continue to examine other known deposits for expansion potential as well.

Drilling was also completed on the K-60 zone to test for extensions to the known mineralization. One hole suggests the deposit may remain open to the west over swampy ground that will be drill tested this winter.

The next target for confirmation drilling will be the M-40 deposit, which has a historical Indicated Resource of 376,680 tonnes grading 5.5% zinc and 1.4% lead, and a historical Inferred Resource of 1,384,500 tonnes grading 3.7% zinc and 0.8% lead. There is also potential to expand the deposit to the east and west. Drilling is expected to begin on this deposit shortly.

The Company will also conduct confirmation drilling on up to seven additional deposits in the North Trend. These historical deposits contain a total of 1,145,870 tonnes of Indicated Resources grading 6.65% zinc and 3.3% lead, and a further 1,758,000 tonnes of Inferred Resources grading 3.65% zinc and 0.99% lead. The R-67 deposit, located on the South Trend, will also be subjected to confirmation drilling. It contains a historical Inferred Resource of 372,150 tonnes grading 9.7% zinc and 3.0% lead. Drilling on these eight deposits will have to be conducted during the winter as they are located in swampy areas. This drilling is planned to commence in January, 2018, unless conditions permit drilling earlier.

The Company has been interviewing several engineering firms to quote and potentially begin a feasibility study later in 2017.

If the Company decides to proceed, the feasibility study will examine the viability of mining the R-190 and X-25 deposits, located west of the Buffalo River. The R-190 deposit has measured and indicated resources of 1,005,000 tonnes grading 10.98% zinc and 5.28% lead, while the X-25 deposit has a measured and indicated resource of 2,108,000 tonnes grading 6.73% zinc and 2.32% lead. These deposits are deeper than the others on the site and would have to be exploited by underground mining methods. They were included in a feasibility study conducted in 2008 by a previous owner of the property. The focus of the work on these two deposits will be examining and testing various methodologies that will mitigate expected heavy water inflows.

Another facet of the 2017 drill program is to explore for new deposits on the Company's large land package. These programs are focused on two large under-explored areas of the property. One is located adjacent to the historical Pine Point townsite and will focus on the South Trend, which was not yet discovered when the town was built starting in 1962. The other area is to the west of the historical mine workings, which Cominco considered too far from the original mill to warrant detailed exploration. The program will begin later this summer with geophysics, and any targets outlined by this program will then be drilled.

Drilling conducted during 2017 will also provide samples for the Company to conduct additional metallurgical testing as part of the feasibility study. This testing is expected to begin later in the summer and will continue as additional deposits are drilled into 2018.

Provided that the confirmation drilling is successful in all or most of the historical deposits into the mine plan, it is currently planned to increase the size of the mill to approximately 2,500 tonnes-per-day in the feasibility study, a 39% increase from the 1,800 tonne-per-day mill envisaged in the PEA.

The Company has not yet completed the work necessary to verify the historical estimates in Table 1 or the historical estimates mentioned in this press release, and no "qualified person" as defined in NI 43-101 has done sufficient work to classify the historical estimates as a current mineral resource or mineral reserve. Accordingly, the Company is not treating the above historical estimates as a current mineral resource or mineral reserve. Further exploration will be required to assess and verify the historical estimates as current mineral resources or mineral reserves.

Mineral Resources which are not mineral reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred Resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as an Indicated or Measured Mineral Resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category. The Preliminary Economic Assessments is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the Preliminary Economic Assessment will be realized.

Stanley Clemmer, a Qualified Person under NI 43-101, reviewed and approved the scientific and technical information presented in this press release.

About Darnley Bay Resources Limited

Darnley Bay acquired a 100% interest in the Pine Point lead-zinc project in December, 2016. Since that time a positive Preliminary Economic Assessment on the project showing a robust mining operation which, over a 13-year mine life, would have an after-tax net present value of \$210.5 million and internal rate of return of 34.5%, with a payback of 1.8 years. The PEA was prepared by JDS and is based on a mineral resource estimate for the Pine Point project published as a National Instrument 43-101 technical report with an effective date of April 18, 2017. To view further details of the study, please see the press release of April 18, 2017 [click here](#).

Forward-Looking Information

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that Darnley Bay expects are forward-looking statements. Although Darnley Bay believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in forward-looking statements. These include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on Darnley Bay, investors should review registered filings at www.sedar.com.

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Contact

[Darnley Bay Resources Ltd.](#)

Jamie Levy
President and Chief Executive Officer
(416) 567-2440
jlevy@darnleybay.com
www.darnleybay.com

Renmark Financial Communications Inc.
Steve Hosein
(416) 644-2020 or (514) 939-3989
shosein@renmarkfinancial.com
www.renmarkfinancial.com