



Press Release

**DELRAND ANNOUNCES CLOSING OF CDN\$6,075,000 SUBSCRIPTION RECEIPT
CONCURRENT FINANCING**

NOT FOR DISSEMINATION IN THE UNITED STATES

Toronto, Canada – June 7, 2017 – Delrand Resources Limited (“**Delrand**” or the “**Company**”) (DRN.H - NEX) is pleased to announce that in connection with the previously announced transaction with KuuHubb Oy (the “**Transaction**”), as previously disclosed in the press releases of the Company issued on January 20, 2017, May 24, 2017 and June 2, 2017 (the “**Press Releases**”), it has completed its previously announced private placement (the “**Offering**”) of subscription receipts (each, a “**Subscription Receipt**”) led by Maison Placements Canada Inc. (the “**Agent**”). Pursuant to the terms of an agency agreement (the “**Agency Agreement**”) among the Company and the Agent dated June 7, 2017, the Offering included the sale of 7,593,750 Subscription Receipts at a price of CDN\$0.80 per Subscription Receipt, for aggregate gross proceeds of to CDN\$6,075,000. The gross proceeds of the Offering less certain expenses of the Agent and other commissions (the “**Escrowed Proceeds**”) will be held in escrow on behalf of the subscribers of the Subscription Receipts by an escrow agent (the “**Escrow Agent**”) and will be released to the Company upon completion of the escrow release conditions as described below in connection with the Transaction. The Transaction will constitute a Change of Business transaction as defined in the policies of the TSX Venture Exchange (the “**Exchange**”) and the resulting issuer will be a Tier 2 technology issuer (the “**Resulting Issuer**”).

Upon satisfaction of the escrow release conditions, each Subscription Receipt will be automatically converted, without additional payment, into one common share of the Resulting Issuer (the “**Resulting Issuer Shares**”) following completion of the Transaction pursuant to the terms of a subscription receipt agreement (the “**Subscription Receipt Agreement**”) entered into between the Company, the Agent, KuuHubb Oy and Irwin Lowy LLP. The Subscription Receipt Agreement provides for the exchange of the Subscription Receipts into Resulting Issuer Shares upon the completion of: (i) all conditions precedent to the Transaction, being satisfied, or waived with the prior written consent of the Agent, in accordance with the terms of the Share Exchange Agreement (as defined in the January 20, 2017 Press Release); and (ii) the receipt of all required shareholder, third party and regulatory approvals in connection with the Transaction, including the receipt of conditional approval from the Exchange to list the common shares of the Company on the Exchange, including the Resulting Issuer Shares issuable upon the automatic conversion of the Subscription Receipts. As mentioned in the June 2, 2017 Press Release, the Company has received the conditional approval from the Exchange. The Company expects to close the Transaction the week of June 12, 2017 and will provide a further press release upon closing of the Transaction.

As consideration for the services provided by the Agent and certain other persons in connection with the Offering: (a) the Agent and certain other finders will receive CDN\$181,508 cash commissions; and (b) the Agent will receive 200,000 broker warrants (the “**Broker Warrants**”), upon the closing of the Transaction. Each Broker Warrant shall be exercisable into one common share in the capital of the Resulting Issuer at an exercise price of CDN\$0.80 per Broker Warrant at any time until the date which is twenty-four (24) months following the closing of the Transaction. The Subscription Receipts issued pursuant to the Offering will be subject to a regulatory four month hold period. The Resulting Issuer Shares issued in connection with the Transaction and upon the conversion of the Subscription Receipts will not be subject to Exchange resale restrictions, however, certain of the Resulting Issuer Shares held by principals of the Resulting Issuer will be subject to the escrow requirements of the Exchange.

Net proceeds of the Offering will be used by the Resulting Issuer to further the business of the Resulting Issuer following completion of the Transaction and for general working capital purposes.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements.

Forward-Looking Information: This press release contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements relating to the proposed Transaction (including the completion and expected terms of the Transaction) are forward-looking information. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, failure to complete the proposed Transaction or failure to complete on the expected terms, and the need to satisfy regulatory and legal requirements and other conditions to closing with respect to the proposed Transaction. Forward-looking information speaks only as of the date on which it is provided and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Not for distribution to U.S. Newswire Services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities laws.

Completion of the Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange requirements, majority of the minority shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the filing statement prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of the Company should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For further information, please contact:

Arnold T. Kondrat, CEO, (416) 366-2221 or 1-800-714-7938.