

TORONTO, ONTARIO--(Marketwired - May 24, 2016) - [Darnley Bay Resources Ltd.](#) (TSX VENTURE:DBL) ("Darnley Bay" or the "Company") is pleased to announce it has entered into an option agreement to acquire a 100% interest, subject to a 2% net smelter return royalty, in the Clear Lake zinc-lead-silver deposit in the Yukon Territory from Bernie Kreft, the optionor.

The Clear Lake project, consisting of 121 contiguous claims covering approximately 2,479 hectares, is located 65 km east of Pelly Crossing, 90 km northeast of Carmacks and 225 km north of Whitehorse. A dirt airstrip approximately 1,000 metres long was used during previous drilling programs but is now overgrown. A winter road links the property to the all-weather North Klondike Highway at Pelly Crossing, approximately 65 km to the west.

Extensive exploration work by several operators since the 1970s has included 18,219 metres of diamond drilling in 71 holes. The Yukon Geological Survey database reports a "geological reserve" of 5,570,114 tonnes grading 11.4% zinc, 2.0% lead and 38.01 grams of silver per tonne. In 2010, a previous operator reported that SRK Consulting prepared a report in accordance with National Instrument 43-101 ("NI 43-101"), estimating that the deposit contains an inferred mineral resource of 7.65 million tonnes grading 7.65% zinc, 1.08% lead and 22 g/t silver, based upon 63 drill holes totaling 13,168 metres of drilling, using a 4% (Pb+Zn) cut-off. Pb grades were capped to 1.5% and Ag grades were capped at 60 g/t. The best drill intersections assayed 16.06% zinc, 1.91% lead and 51.91 g/t silver over a core length of 14.6 meters (DDH 79-19) and 14.13% zinc, 2.24% lead and 36.45 g/t silver over 29.0 meters (DDH 83-46). The deposit consists of three elongate-shaped lenses, 5 to 30 m thick and 450 m in length that extend at least 300 m down dip, and additional mineralization in the hanging wall. It has potential for expansion at depth and along strike (SRK, 2010).

Clear Lake is a SEDEX massive sulphide deposit occurring in Devonian- to Mississippian-aged Earn Group shale. SEDEX deposits often occur in clusters at a specific geological time horizon and are a major source of zinc and lead, accounting for more than 50% and 60% of the world's reserves of these elements respectively. In 2008-2009 a previous operator carried out helicopter-borne VTEM and magnetic surveys, followed by a ground program of induced polarization and gravity surveys, in three target areas. Analysis by Condor Consulting Inc. and Aurora Geosciences Ltd. revealed coincident/complementary gravity, EM and IP anomalies, characterized as possible massive sulphide bodies with similarities to the Clear Lake deposit itself. One is associated with a zinc-rich gossan. The other two are modelled at depths of 150 m-300 m. No work has been conducted on the property since that time and therefore these targets remain untested.

The foregoing resource estimates are historical. The initial historical estimate was completed prior to the implementation of NI 43-101 and the latter historical estimate was not prepared by the Company. The Company considers the initial historical estimate to be relevant and reliable given the high quality of the historical estimate completed and the latter historic estimate was prepared in accordance with NI 43-101. The Company has not independently verified either of the resource estimates, and therefore, neither can be relied upon as a current mineral resource for the Company. A qualified person of the Company has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources.

Terms of the acquisition include cash payments of \$100,000 over five years. In addition, the agreement provides for bonus payments to the optionor consisting of \$25,000 on completion of 1500 metres of drilling and a further \$25,000 upon completion of a total of 3000 metres of drilling. In addition, a payment of \$125,000 and 250,000 shares is required upon an inferred resource prepared in accordance with NI 43-101 equal to, or exceeding, one of the following thresholds: 2.2 billion pounds Zinc, 320 million pounds lead or 320 million grams silver. In order to maintain the option, Darnley Bay has a commitment of \$25,000 of exploration expenditures to be completed by the end of August, 2016, and a total of \$500,000 by the third anniversary of the agreement. The optionor will retain a 2% Net Smelter Return Royalty, 62.5% of which can be purchased from the optionor for \$1 million.

This transaction is consistent with Darnley Bay's stated business strategy to acquire interests in several base metal deposits at or near the feasibility stage. In March, Darnley Bay announced an option to acquire the Davidson molybdenum deposit near Smithers, British Columbia (see press release dated March 8, 2016).

Stephen Reford, P.Eng., Chief Technical Officer of DBL, Qualified Person under NI 43-101, reviewed and approved the scientific and technical information presented in this press release.

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.

Neither the 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.

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