



DUNNEDIN VENTURES INC.
TSX-V: DVI
Suite 1020, 800 West Pender Street
Vancouver, British Columbia, V6C 2V6
Tel: 604.646.8351 / Fax: 604.646.4526

New Kimberlite Pipe Discovery at Dunnedin's Kahuna Project

July 19, 2018 – Vancouver, British Columbia – Dunnedin Ventures Inc. (the "Company" of "Dunnedin") (TSX-V: DVI) today provided an update on rotary air-blast ('RAB') drilling at its 100% owned Kahuna Diamond Project in Nunavut. The Company reports it has discovered a new kimberlite pipe (KH10-11) and drill-tested two additional historic pipes. Diamond recovery tests will begin shortly, and first results are expected in 8-10 weeks.

Highlights include:

- New KH10-11 kimberlite pipe discovery, and two historic pipes (KD900 and KD230) re-drilled to review diamond content and potentially expand diamond-bearing phases
- New KH10-11 pipe was drilled to 112 metres and KD900 drilled to 114 metres vertically. The newly discovered pipe KH10-11 remains open at depth
- Indicator minerals were observed in kimberlitic material recovered from two of the three pipes (KH10-11 and KD900), including garnet, picroilemite, and olivine - similar to significantly diamond bearing kimberlite drilled on the property to-date. Most were observed in the newly discovered KH10-11 pipe
- More than three tonnes of kimberlitic material was collected from these three pipes and is available for diamond analysis
- Approximately one tonne of representative kimberlitic material from all three pipes was shipped and prioritised for diamond recovery at CF Mineral Research Ltd. ('CFM') in Kelowna, British Columbia

Chris Taylor, CEO of Dunnedin commented, "We are excited to have tested three kimberlite pipes, one of which represents a new discovery and has over 100 metres of continuous kimberlite from surface. We plan to return as soon as possible to determine the size and potential of not only these pipes, but also several additional nearby lookalike targets. The Company has expedited select material from each pipe for diamond recovery. Numerous pipe and dike targets remain untested and these will be drilled as soon as practical, and with new diamond results in-hand to guide us."

2018 Summer Program Summary

The 2018 summer RAB drilling program was designed to specifically test kimberlite pipe targets in areas with diamond indicator minerals ("DIMs") in till. Progress includes:

- 17 targets were successfully drill tested, three of which were kimberlite pipes (see Figure 1)
- A total of 1,081 metres of RAB drilling was completed in 20 holes
- A total of 254.5 metres of kimberlite was intersected, yielding approximately 3.5 tonnes (see Table 1).

800 kilograms of glacial till were also collected from the drill holes near the bedrock interface at each drill site. Selected samples of this sub-surface material will be processed for DIMs to enhance existing till results and to assist with prioritising further kimberlite targets.

Table 1: Kimberlite Intercepts from Dunedin’s Summer 2018 Drilling

Drill Hole	Kimberlite Name	Azimuth	Dip	From (m)	To (m)	Interval (m)	Description of rock chips
18-RAB-18	KD900	0	90	3.05	10.67	7.62	Kimberlite, hole re-collared
18-RAB-19	KD900	0	90	13.72	114.29	100.57	Kimberlite, 9 metres mixed kimberlite and gneiss
18-RAB-21	KD230	120	60	42.67	80.77	38.10	Kimberlite
18-RAB-31	KH10-11	0	90	10.67	15.24	4.57	Kimberlite, hole re-collared
18-RAB-32	KH10-11	0	90	9.14	112.77	103.63	Kimberlite

The Company notes that numerous priority targets remain that are associated with high-rank DIMs. Many of these are situated under shallow lakes or deeper glacial sediment and are not amenable to RAB drilling. These will be tested with core drilling as soon as practical when field conditions permit.

New KH10-11 Kimberlite Pipe

Drill holes 18-RAB-31 and 18-RAB-32 intersected kimberlite within metres of surface. Hole 18-RAB-31 was abandoned due to drilling conditions and hole 18-RAB-32 resumed a few metres away. Kimberlite was encountered below 10 metres of overburden and extended to 112 metres vertical depth, where the hole was terminated in kimberlite.

KH10-11 is initially described as a green-blue to brown, olivine-phlogopite macrocrystic kimberlite having crustal xenoliths and kimberlite indicator minerals. Olivine, picroilmenite, rare chromite and peridotitic garnets exhibiting kelyphitic rims were observed in RAB chips, with serpentine alteration and carbonate common. A mantle derived xenolith was also noted. This combination of features is generally associated with diamond-bearing kimberlite at the Kahuna project.

The KH10-11 kimberlite is characterised by a circular 60 metre by 110 metre moderately high magnetic geophysical response. The drill hole was collared in the centre of this response and similar target analogues occur nearby. Over 1.5 tonnes of kimberlitic material was collected from KH10-11, of which approximately 500 kilograms has been sent for expedited diamond processing.

05KD900-01	128.3	1	4	4	2	0	1
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The largest stones measured 0.84x0.74x0.64mm (clear colourless aggregate); 0.50x0.36x0.32mm (clear colourless aggregate), 0.42x0.36x0.30mm (clear, colourless octahedron).

At the time, Stornoway reported: “Kimberlite KD900 is of particular interest. It hosts the first macrodiamond recovered from the Churchill property and is situated within the Josephine River corridor, an area that hosts favorable G10 mineral chemistry... Through visual observation of the drill core different phases are evident including an altered kimberlite breccia hosting limestone fragments and hypabyssal kimberlite.”

Stornoway characterized KD900 as an 80 metre by 200 metre, subtle magnetic low with several similar signatures nearby. A review of historical data suggests that the pipe contains multiple phases of kimberlite, and that most diamonds recovered from KD900 originate from a distinct 5 metre phase of kimberlite that Dunnedin has now expanded to 10 metres. Dunnedin’s geologists noted a distinct kimberlite phase having garnets and a possible mantle xenolith in the final ten metres of 18-RAB-19. This prospective phase been sent for expedited diamond processing.

Mr. Taylor commented, “Confirmation of the historical diamond-bearing interval at the KD900 pipe is important because it could represent a significant volume of diamond-bearing kimberlite. Many kimberlites have multiple magma phases, some of which are more diamond-rich than others. With encouraging diamond results, future work will be required to determine the size, geometry and diamond content of prospective phases in KD900 and other pipe-like targets close by.”

A third historic pipe, KD230 was also drilled to test for different kimberlite phases. KD230 is located 800 metres southeast from KD900. Angled hole 18-RAB-21 cut the width of this pipe, returning 38.10 metres of kimberlite. No significant indicator minerals or different kimberlite phases were noted during Dunnedin’s RAB logging. Portions of the kimberlite will be processed to determine its diamond potential and to characterize its indicator mineral content. In particular, these results will be useful to distinguish between lower and higher diamond potential targets during future exploration.

In addition to testing for diamond content, DIM content will also be analyzed from all three kimberlites in order to use mineral signatures to map out down-ice till dispersions. This will help the Company vector-in on additional potential diamond-bearing of sources of abundant, high quality DIMs, particularly in overlapping mineral dispersion trains.

Diamond recovery results will continue to be reported by the Company as they become available. Kimberlites that prove to be significantly diamondiferous will be further drill-tested to determine geometry and to obtain mini-bulk samples that will allow the Company to characterize the diamond grade and size frequency distribution for each kimberlite.

QA/QC

RAB samples were shipped to the CF Mineral Research Ltd. (“CFM”) laboratory in Kelowna, BC for processing and caustic fusion analysis. Dunnedin’s QA/QC protocols include industry standard chain of custody and security procedures during sampling and transport. In addition, laboratory results, concentrates,

rejects and any other relevant material are subject to audit. CFM operates using reference standards, internal quality assurance protocols, security and operating procedures for processing, recovery and reporting of diamond results. The CFM laboratory is accredited and audited for international quality standards through the International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) 17025:2005, which includes ISO 9001:2015 specifications. Dunnedin has not confirmed historic diamond results reported herein, however exploration was carried out by what is believed to be knowledgeable explorers in accordance with acceptable industry practices at the time.

Jeff Ward, P.Geo, Vice President Exploration and a Qualified Person under National Instrument 43-101, has reviewed and approved the technical information contained in this release.

For further information please contact Mr. Knox Henderson, Investor Relations, at 604-551-2360 or khenderson@dunnedinventures.com.

On behalf of the Board of Directors

Dunnedin Ventures Inc.

Chris Taylor
Chief Executive Officer

About the Kahuna Project

Dunnedin Ventures Inc. (TSX-V: DVI) is a Vancouver-based company whose primary asset is the 100% owned, advanced-stage Kahuna Diamond Project in Nunavut which hosts a high-grade, near surface inferred diamond resource and numerous kimberlite pipe targets. The Company holds diamond interest in 1,664 km² of mineral tenure located 26 kilometers northeast of Rankin Inlet and adjacent to Agnico Eagle's Meliadine gold mine. To define and prioritize kimberlite pipe targets Dunnedin has evaluated an extensive historic data set and recovered diamonds and indicator minerals from a series of kimberlite and till samples over three seasons of field work. Working with advisor and shareholder Dr. Chuck Fipke, the Company has used the same till sampling and mineral screening protocols employed during Dr. Fipke's discovery of Canada's first diamond mine at Ekati, N.W.T., but improved by over 20 years of additional diamond data and experience. The Kahuna Diamond Project has an Inferred Resource Estimate of 3,987,000 tonnes at an average grade of 1.01 carats per tonne, totalling over 4 million carats of diamonds (+0.85 mm) (see news release dated March 31, 2015). The largest diamond recovered from the property to date is a 5.43 carat stone from the Kahuna dike which was a piece of a larger diamond that had been broken during the sample preparation process and was reconstructed as having an original size of 13.42 carats. Dunnedin is backed by a world-renowned team of diamond experts with decades of combined experience in Arctic exploration and capital market strength.

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