

Niko Provides Corporate Update

CALGARY, ALBERTA (May 24, 2016) – Niko Resources Ltd. (“Niko” or the “Company”)(TSX – “NKO”) provides the following updates.

Commencement of Consent Solicitation

The Company now expects that it will, on or about May 31, 2016, commence the solicitation of consents to amend the trust indenture governing its 7% senior unsecured convertible notes due December 31, 2017 so as to give effect to its previously disclosed strategic plan of maintaining its core assets for a period of time with the goal of enhancing the value of such assets for the benefit of all of the Company’s stakeholders. For additional information, noteholders should refer to the Company’s press release of March 24, 2016.

Diamond Settlement Agreement

As previously disclosed, in complying with the terms of the facilities agreement (as amended) governing the Company’s senior term loan facilities, the Company is restricted from making any payments under the terms of the Diamond Settlement Agreement, and, as such, continues to be in default of certain obligations under the Diamond Settlement Agreement. On June 30, 2015, the Company did not make a scheduled payment of US\$5 million under the terms of the Diamond Settlement Agreement and in July, 2015, Diamond filed suit in a court in Texas seeking to enforce the payment and other obligations. On September 30, 2015, December 31, 2015, and March 31, 2016, the Company did not make additional scheduled payments totaling US\$15 million. The Texas court has issued a summary judgment in the amount of \$20 million plus interest and legal costs. The Company is currently considering the implications of this judgement and evaluating all its options, including an appeal. For further information regarding this matter, please see the disclosure in the Company’s MD&A for the three-month period ended December 31, 2015, filed on the Company’s SEDAR profile at www.sedar.com.

For further information, please contact:

Niko Resources Ltd. (403) 262-1020, Glen Valk, VP Finance & CFO, or visit the Company's website at www.nikoresources.com.

Forward-Looking Information

Certain statements in this press release constitute forward-looking information. Specifically, this press release contains forward looking information relating to the ability of the Company to successfully complete its strategic plan. Such forward-looking information is based on a number of risks, uncertainties and assumptions, which may cause actual results or other expectations to differ materially from those anticipated and which may prove to be incorrect. There can be no assurances that the Company will be able to obtain the required approvals to successfully complete its strategic plan on a timely basis or to reach a satisfactory agreement with the parties to the Diamond Settlement Agreement. The failure to meet or satisfy any of the foregoing is expected to have a material adverse impact on the Company and could significantly impair or entirely erode the value of securityholders’ interest in the Company. Undue reliance should not be placed on forward-looking information. Such forward-looking information reflects the Company's current beliefs and assumptions and is based on information currently available to the Company. This forward-looking information is based on certain key expectations and assumptions, many of which are not within the control of the Company. The reader is cautioned that the assumptions used in the preparation of such information, although considered reasonable at

the time of preparation, may prove to be incorrect. Actual results may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors and such variations may be material. Such risk factors include, but are not limited to, the ability of the Company to obtain the requisite consents from noteholders, and the consent of all the lenders to the agreements and documents, needed to give effect to the Company's strategic plan, the ability of the Company to obtain regulatory approval of the transactions contemplated herein, the ability of the Company to reach an acceptable resolution with the parties to the Diamond Settlement Agreement and the risks discussed under "Risk Factors" in the Company's Annual Information Form for the year-ended March 31, 2015 and in the Company's public disclosure documents, and other factors, many of which are beyond the Company's control. Niko makes no representation that the actual results achieved during the forecast period will be the same in whole or in part as those forecast.

The forward-looking information included in this press release is expressly qualified in its entirety by this cautionary statement. The forward-looking information included herein is made as of the date of this press release and Niko assumes no obligation to update or revise any forward looking information to reflect new events or circumstances, except as required by law.