



Rathdowney focuses corporate team & resources on Project Olza Mining License in Poland Dick Whittington, President & CEO to step down

December 31, 2019, Vancouver, BC – Rathdowney Resources Ltd. (“Rathdowney” or the “Company”) (TSXV: RTH) announces that its corporate focus in 2020 will be exclusively on advancing toward securing a Mining License for its 100%-owned Project Olza – a zinc-lead-silver underground development project in Poland’s well-established Upper Silesian mining district.

Securing a Mining License for Project Olza requires a multi-faceted scope of work, largely to be undertaken by Rathdowney’s in-country Polish team, and includes: Environmental Documentation Completion; Community and Stakeholder Engagement; Land Zoning Changes; ongoing Geological Data Filings; and engineering support for the Polish PZZ (site development and underground mining plan). Near-term work at Project Olza is focused on finalizing environmental documentation to support project permitting, as well as on-going community engagement.

The concentration of Rathdowney’s 2020 program solely toward environmental and socioeconomic technical work has contributed to the departure from the Company of Mr. J.R.H. (Dick) Whittington, who will step down as President and CEO of Rathdowney Resources Ltd., and resign from the Company’s Board of Directors.

Current Rathdowney Chairman and Director Mr. David J. Copeland will serve as interim President and CEO.

“Rathdowney wishes to thank Dick Whittington for his important contributions and significant efforts in moving Project Olza forward during this phase of its development,” Copeland said. “Dick’s leadership, his business acumen and experience have had a positive and lasting effect on the Company and the project, and we look forward to bringing him back onto the Rathdowney corporate team in future as Project Olza advances toward mine development and operations.”

“I am disappointed to leave the Rathdowney team, but I appreciate the need to focus our corporate resources on project-critical areas – particularly in the face of challenging financial markets,” Whittington said. “The business plan for Rathdowney going forward is clearly set out, and will continue to be the foundation for the Company’s success for the foreseeable future.”

Copeland noted that Rathdowney will continue to advance Whittington’s plan toward obtaining a Mining License for Project Olza, although at a slower pace in the immediate term.

Rathdowney retains a solid team in Poland to support the project’s community and environmental compilation programs.

“Project Olza is a superb asset,” Whittington said. “Simply put, it is the best project I have had the pleasure of working on in my career. At the same time, I have thoroughly enjoyed my experiences in Poland and with the Project Olza team. Poland is an energetic country with a world famous mining industry and a tremendous future.”

About Rathdowney and Project Olza

Rathdowney Resources Ltd. is focused on advancing Project Olza through the permitting process toward a mining license and into production.

Project Olza is located in the Upper Silesian Mining District of southwestern Poland, a world-class region of Mississippi Valley-type deposits with well-developed mining infrastructure. Easily accessible by road, the Olza project site is a one-hour drive from Krakow, a major city with full services, including an international airport. The deposits at Olza are 25 km from the ZGH zinc smelter at Boleslaw. A railway line runs through the Olza project-area, linking it to the local facilities and also to other smelters through ports on the Baltic Sea.



Initial drilling by Rathdowney built on the extensive drill database assembled by Polish State Survey to delimit 24.4 million tonnes ("Mt") of inferred mineral resources grading 7.02% combined zinc and lead ("Zn+Pb")¹, with excellent potential for expansion as indicated by drilling over a wider area by the Polish State Survey ("PSGI"). A historical estimate of 77 Mt grading 6.15% Zn+Pb in C1/C2 categories under the Polish classification system was completed by PSGI in 1990². A qualified person, under NI43-101 rules, has not done sufficient work to classify the estimate as current mineral resources and the Company is not treating them as current.

A Preliminary Economic Assessment ("PEA"), announced in early 2015 and based on the 24.4-Mt mineral resource, indicates strong potential financial returns for a 6,000 tpd underground operation and conventional treatment facility, producing two marketable concentrates³. The PEA forecast a Post-Tax Net Present Value of US\$170 million at an 8% discount rate or US\$219 million at a 5% discount rate⁴. Free cash flow in the first three years of full production averages US\$125 million per year or cumulatively US\$375 million over three years, which management believes is ample for debt financing and near term project payback.

Further environmental and associated technical studies are underway to advance mine planning and permitting for the project.

David Copeland, P.Eng., Chairman of Rathdowney and a qualified person as defined under NI43-101, has reviewed the technical information in this release.

For further details on Rathdowney and Project Olza, please visit the Company website www.rathdowneyresources.com.

On behalf of the Board of Directors

David Copeland, P.Eng.
Chairman and Director

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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 exploration drilling, exploitation activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking 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 forward-looking statements. Assumptions used by the Company to develop forward-looking statements include the following: the Olza project will obtain all required environmental and other permits and all land use and other licenses, studies and development of the Olza project will continue to be positive, and no geological or technical problems will occur. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, 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 the Company, investors should review the Company's continuous disclosure filings that are available at www.sedar.com.

¹ Estimated at a 2.0% zinc cutoff; individual grades are 5.53% zinc and 1.49% lead. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

² Historical estimate by Polish State Geological Institute PSGI 1992 report (C1, C2 categories under the Polish Classification system, similar to the Soviet classification system used at the time). These are different from the classification under NI 43-101.

³ Base Case metal prices use: Zinc - US\$1.10/lb in yrs 1-2, US\$1.00/lb in remaining Life of Mine ("LOM"); Lead - US\$1.09/lb in yr 1, US\$1.00/lb in yr 2, US\$0.95/lb in remaining LOM. Assumptions are based the median price forecast by >30 independent banks and investment dealers specialized in commodity market analysis. For further details, see Rathdowney's news release dated April 20, 2015 and the PEA technical report posted on the Company's website and on its profile at www.sedar.com.

⁴ Bray, Chris, SRK Consulting (UK) Ltd, July 2019 Memo on Discount Rate for Olza PEA (effective date 31 December 2014).