

# Rathdowney Announces Closing of the First Tranche Private Placement

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VANCOUVER, May 1, 2020 - [Rathdowney Resources Ltd.](#) ("Rathdowney" or the "Company") (TSX?V: RTH) announces has closed the first tranche of the unit private placement (the "Private Placement") announced previously on April 21, 2020, consisting of 13,402,491 Units issued for gross proceeds of CAD \$1,206,224.

Each Unit is comprised of one common share (a "Share") of the Company plus one common share purchase warrant (a "Warrant"). Each Warrant can be exercised for a five year period from the Closing Date (as hereinafter defined) at \$0.15 per Warrant Share (as hereinafter defined). In the event that the closing price of the common shares of the Company is at or below \$0.15 per share for a period of 10 consecutive trading days during the warrant exercise period (with the 10<sup>th</sup> such trading day hereafter referred to as the "Eligible Acceleration Date"), the warrant expiry date shall accelerate to the date that is 60 days after the Eligible Acceleration Date.

The securities issued pursuant the Private Placement will be subject to applicable resale restrictions, including a four month hold period from date of closing of the Private Placement under applicable Canadian securities laws. Completion of the placement is subject to regulatory approval, including approval of the TSX Venture Exchange.

Proceeds will be used to advance permitting and engineering activities in Poland on the Company's Olza zinc-lead-silver project ("Project Olza") towards the final submission for its Polish Mining License, as well as for general corporate working capital purposes.

## About Rathdowney and Project Olza

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, railway, power, and a skilled workforce, 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 ZGHB 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 the port of Gdansk on the Baltic Sea.

Initial drilling by Rathdowney over approximately 30% of the area of extensive drilling by the Polish Geological Survey, in the estimation of 24.4 million tonnes of inferred mineral resources grading 7.02% combined zinc and lead<sup>1</sup>, with excellent potential for expansion. Polish Geological Survey drilling delineated a historical resource of 77 million tonnes grading 6% Zn+Pb in C1/C2 categories that are similar to the Soviet Classification<sup>2</sup>. A qualified person, under NI43-101 rules, has not done sufficient work to classify this historical estimate as current mineral resources and the Company is not treating them as such.

A Preliminary Economic Assessment ("PEA") announced in early 2015 based on the 24.4 million tonne resource, indicated strong potential financial returns for a 6,000 tpd underground operation and conventional treatment facility, producing two marketable concentrates<sup>3</sup>. The project has a post-tax net present value ("NPV") of US\$219 million at 5% discount<sup>4</sup>, and US\$170 million NPV at 8% discount. Free cash flow in the first three years of full production averages US\$125 million per year (cumulatively US\$375 million), ample for debt financing and near term project payback.

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized; however, it does highlight the economic potential of the inferred resources if developed in line with the development plan outlined in the PEA.

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

On behalf of the Board of Directors

David J. Copeland, P.Eng.  
President and CEO

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.

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, continued 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, as well as risks relating to the uncertainties related to the effects of COVID-19. 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](http://www.sedar.com).

<sup>1</sup> 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.

<sup>2</sup> Historical estimate by Polish State Geological Institute PSGI 1992 report. These are different from the classification system of NI 43-101.

<sup>3</sup> 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 on the median price forecast by >30 independent banks and investment dealers specialized in commodity market analysis. For additional details on the PEA, see Rathdowney's news release dated April 20, 2015.

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

SOURCE [Rathdowney Resources Ltd.](http://RathdowneyResourcesLtd.com)

## Contact

on Rathdowney and Project Olza, please visit [www.rathdowneyresources.com](http://www.rathdowneyresources.com)

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