RATHDOWNEY RESOURCES LTD.

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Vancouver, British Columbia

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ANNUAL INFORMATION FORM

For the year ended December 31, 2014

Dated August 17, 2015

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PRELIMINARY NOTES

Rathdowney Resources Ltd. (“Rathdowney” or the “Company”) is a mineral exploration and development company based in Vancouver, British Columbia which is focused on advancing the Olza zinc-lead project (“Project Olza” or the “Project”) in Poland.

Forward-Looking Statements

Except for statements of historical fact, this Annual Information Form (“AIF”) contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking statements. Assumptions used by the Company to develop forward-looking statements include the following: the Company’s Project Olza in Poland will obtain all required environmental and other permits and all land use and other licenses, studies and development of Project Olza will continue to be positive, and no geological or technical problems will occur.

This discussion also includes the results of a Preliminary Economic Assessment of Project Olza, which was prepared to broadly quantify the Project's capital and operating cost parameters and to provide guidance on the type and scale of future project engineering and development work that will be needed to ultimately define the project's likelihood of feasibility and optimal production rate. The following are the principal risk factors and uncertainties which, in management's opinion, are likely to most directly affect the conclusions of the Preliminary Economic Assessment and the ultimate feasibility of the project. The Preliminary Economic Assessment is based on the inferred resources estimated by Hunter Dickinson Services Inc. and audited by SRK Consulting (UK) Ltd. Additional exploration, process tests and other engineering and geological work will be required to estimate indicated or measured mineral resources at Project Olza and if an economically exploitable reserve can be established. Final feasibility work has not been completed to confirm the underground design, mining methods, and processing methods assumed in the Preliminary Economic Assessment. Final feasibility could determine that the assumed underground design, mining methods, and processing methods are not correct. Construction and operation of the mine and processing facilities depends on securing environmental and other permits on a timely basis. No permits have been applied for and there can be no assurance that required permits can be secured or secured on a timely basis. Data is incomplete and cost estimates have been developed in part based on the expertise of the individuals participating in the preparation of the Preliminary Economic Assessment and on costs at projects believed to be comparable, and not based on firm price quotes. Costs, including design, procurement, construction, and on-going operating costs and metal recoveries could be materially different from those contained in the Preliminary Economic Assessment. There can be no assurance that mining can be conducted at the rates and grades assumed in the Preliminary Economic Assessment. Energy risks include the potential for significant increases in the cost of fuel and electricity. The Preliminary Economic Assessment assumes specified, long-term prices levels for zinc and lead. Prices for these commodities are historically volatile, and Rathdowney has no control of or influence on those prices, all of which are determined in international markets. There can be no assurance that the prices of these commodities will continue at current levels or that they will not decline below the prices assumed in the Preliminary Economic Assessment. Prices for zinc and lead have been below the price ranges assumed in Preliminary Economic Assessment at times during the past ten years, and for extended periods of time. The Project will require major financing, probably a combination of debt and equity financing. Interest rates are at historically low levels. There can be no assurance that debt and/or equity financing will be available on acceptable terms. A significant increase in costs of capital could materially and adversely affect the value and feasibility of constructing the Project. Other general risks include continuity of mineralization, those ordinary to large construction projects including the general uncertainties inherent in engineering and construction cost, the need to comply with generally increasing environmental obligations, and accommodation of local and community

concerns, potential environmental issues or liabilities associated with exploration, development and mining activities, exploitation and exploration successes, delays due to third party opposition, and changes in government policies regarding mining and natural resource exploration and exploitation. The Company is also subject to the specific risks inherent in the mining business, as well as general economic and business conditions. For more information on the Company, Investors should review the Company's filings that are available at www.sedar.com.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

Effective Date of Information

Unless otherwise stated herein, the information in this AIF is for the fiscal year ended December 31, 2014 but is current as of August 17, 2015 unless otherwise clear from the context.

Incorporation of Continuous Disclosure Documents by Reference

In this AIF, the "Company" or "Rathdowney" refers to Rathdowney Resources Ltd. and all its subsidiaries and affiliated partnerships together unless the context states otherwise.

Incorporated by reference into this AIF are the comparative audited consolidated financial statements and Management's Discussion and Analysis for Rathdowney for the fiscal year ended December 31, 2014 and 2013 together with the auditor's report thereon. Also incorporated by reference is the following technical report:

> NI 43-101 Technical Report on a Preliminary Economic Assessment of the Olza Zinc-Lead Project in Poland, effective date December 31, 2014, prepared by C. Bray, MAusIMM(CP), L. Roberts, MAusIMM(CP), C. Bonson, EurGeol, P.Geo., H. El Idrysy, CGeol, FGS, and K. Czajewski, P.Eng, of SRK Consulting (UK) Ltd and L. Melis, P.Eng, of Melis Engineering Ltd.

All of the authors are Independent Qualified Persons as defined under National Instrument 43-101 – Standards of Disclosure for Mineral Properties ("NI 43-101"). The document is available for review under the Company's profile on SEDAR at www.sedar.com.

Accounting Principles

All financial information in this AIF is prepared in accordance with International Financial Reporting Standard as recognized by the International Accounting Standards Board.

Currency

All currency amounts in this AIF are in Canadian dollars unless otherwise indicated. The financial statements for the year ended December 31, 2013 was presented in Euro currency. Effective August 31, 2014, Rathdowney Resources Ltd. and its Luxembourg and Polish operating subsidiaries changed their functional currencies to the Canadian dollar. Concurrent with the change in functional currency, the Company also changed its presentation currency to Canadian dollars. This change in presentation currency has been applied retrospectively as if the new presentation currency had always been the Company's presentation currency.

The currency amounts in the Description of Business are in US dollars as per the current technical report.

Glossary

In this AIF, the following words and phrases have the following meanings unless the context otherwise requires:

3D	three dimensional;
BWI	Bond Work Index;
CD1	Decline with conveyor; to the surface plant;
CIM	the Canadian Institute of Mining, Metallurgy and Petroleum;
CIM Standards	the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council from time to time last revised in May 2014;
$	Canadian dollars;
Element abbreviations:	Ag – silver; As – arsenic; Ca – calcium; Cd – cadmium; Fe – iron; Mg - magnesium; O – oxygen; Pb – lead; S- sulphur; Zn – zinc;
EPCM	Engineering, procurement and construction management
€	Euros, currency of the European Union;
g/t	grams per metric tonne;
HQ or PQ	drill core that is 63.5 mm and 85 mm, respectively, in diameter;
ICP-AES	inductively coupled plasma atomic emission spectroscopy that is a common analytical technique which uses the inductively coupled plasma to produce excited atoms and ions that emit electromagnetic radiation at wavelengths characteristic of a particular element; the intensity of this emission is indicative of the concentration of the element within the sample;
Imperial	the non-metric system of units of measurement, which includes units such as inches, feet, yards, pounds, quarts and gallons;
I.P.	induced polarization which is a geophysical imaging technique used to identify minerals beneath the surface;
IRR	Internal Rate of Return;
ISP	Imperial Smelting Technology; uses a shaft furnace process based on coke and sinter. To produce sinter of sufficient hardness, lead is added to the sinter feed mix, enabling simultaneous production of zinc and lead.
ktpa	Thousand tonnes per annum;
kV	KiloVolt;
kW	KiloWatt;

Karst, karstified	is a distinctive topography in which the landscape is largely shaped by the dissolving action of water on carbonate bedrock (usually limestone, dolomite, or marble); a karstified rock has been modified by this process;
L/s	Litres per second;
m	Meters;
M	Millions;
m^3/min	Cubic meters per minute;
MVT	Mississippi Valley-type zinc-lead mineralization. This style of mineralization occurs in tabular bodies, or in pods or caverns in limestone and dolomite, like in the mines in the Mississippi Valley region in the United States;
Net Profits Interest	a share of net proceeds from production paid solely from the working interest owner's share;
PGI	the Polish Geological Institute, a Polish state-owned agency;
PL	prospecting license;
PLN	Polish zlotys, the currency in Poland;
Project Olza	means the Olza project, a zinc-lead project located in the Upper Silesian zinc-lead district of Poland;
PSN	Pump Station North;
PSS	Pump Station South;
QA	Quality Assurance;
QC	Quality Control;
ROM	Run of Mine;
RLE	Roast, Leach, Electrolytic is a technology used for the production of zinc which combines the roasting, leaching and electrowinning processes;
SAG	Semi-Autogenous Grinding; A type of mill; SAG mills are essentially autogenous (self-grinding), but utilize grinding balls to aid in grinding like in a ball mill. A SAG mill is generally used as a primary or first stage grinding solution;
SG	Specific Gravity, a measure of the density of a rock;
SGS-UK	SGS Minerals Services UK Ltd, an analytical laboratory;
SRK	SRK Consulting (UK) Limited;

SWS	Schlumberger Water Services;
Sphalerite	Zinc sulphide mineral, primary ore of zinc;
State Treasury	the State Treasury Department of the Government of Poland;
TD1	Decline for transporting workers and materials;
TMF	Tailings Management Facility;
t	a metric tonne of 1,000 kilograms (approximately 2,205 pounds);
tpd	Tonnes per day;
tpa	Tonnes per annum;
USD	United States dollars;
VRN	Vent Raise North;
VRS	Vent Raise South;
W/H ratio	Width to height ratio;
ZGH Boleslaw	Former State-owned zinc-lead mining and smelting company; and
ZnEQ	Zinc Equivalent.

Resource Category (Classification) Definitions

The discussion of mineral deposit classifications in this AIF adheres to the mineral resource and mineral reserve definitions and classification criteria developed under the CIM Standards. Estimated mineral resources fall into two broad categories dependent on whether the economic viability of them has been established and these are namely "resources" (potential for economic viability) and ore "reserves" (viable economic production is feasible). Resources are subdivided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. Reserves are similarly sub-divided by order of confidence into probable (lowest) and proven (highest). These classifications can be more particularly described as follows:

Mineral Resource	is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
Inferred Mineral Resource	is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. It has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected

	that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Indicated Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. It has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
Measured Mineral Resource	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. It has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
Mineral Reserve	is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors, which are considerations used to convert Mineral Resources to Mineral Reserves and include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.
Probable Mineral Reserve	is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
Proven Mineral Reserve	is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

CORPORATE STRUCTURE

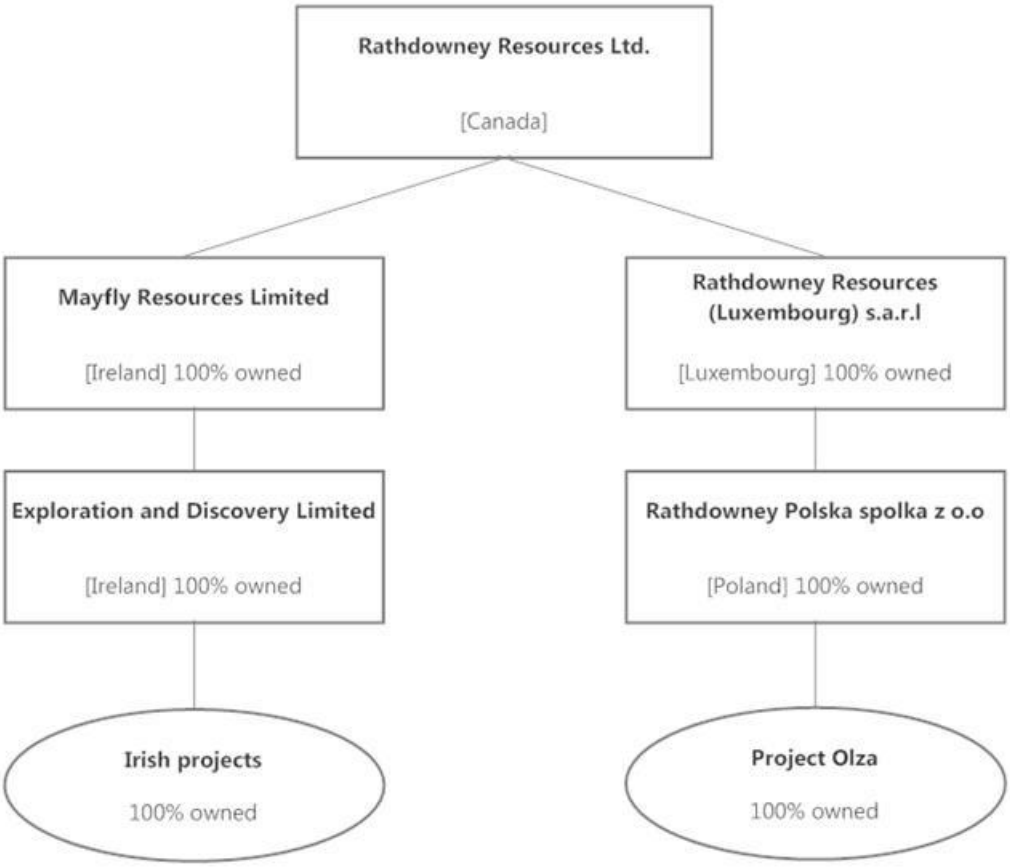
Incorporation and Offices

Rathdowney Resources Ltd. was incorporated under the *Business Corporations Act* (British Columbia) (the "BCBCA") on April 3, 2008. On March 15, 2011, the Company changed its name from Coreland Capital Inc. to Rathdowney Resources Ltd. See Figure 1 Corporate Structure below.

The Company's head office is located at 1500 - 1040 West Georgia Street, Vancouver, British Columbia, V6E 4H1. The registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Intercorporate Relationships

Figure 1: Corporate Structure



GENERAL DEVELOPMENT OF OUR BUSINESS

The Company was incorporated under the BCBCA on April 3, 2008 under the name Coreland Capital Inc. The Company was a “Capital Pool Company” under the policies of the TSX Venture Exchange Inc. (the "TSX-V"). On March 15, 2011, the Company completed a qualifying transaction ("Qualifying Transaction") in accordance with TSX-V Policy 2.4 whereby the Company acquired all the issued shares on a one for one basis of Rathdowney Holdings (Canada) Ltd. (formerly,

Rathdowney Resources Limited). Under the terms of the Qualifying Transaction, the Company issued 46,419,331 common shares in consideration for 100% of the issued and outstanding shares of Rathdowney Holdings (Canada) Ltd.

The Company raised approximately $34 million concurrent with the completion of the Qualifying Transaction by completing a non-brokered private placement of 34,283,550 common shares at a price of $1.00 per share. On March 15, 2011, the Company changed its name from Coreland Capital Inc. to Rathdowney Resources Ltd. and, several days thereafter, began trading on the TSX-V under the symbol "RTH".

In January 2013, the Company and its wholly-owned but generally inactive subsidiary Rathdowney Holdings (Canada) Ltd. were combined into one entity through a vertical amalgamation, named Rathdowney Resources Ltd., to simplify tax reporting.

Following the initial property acquisition and assessment of the historical database, Rathdowney commenced drilling at Project Olza in Poland in mid-2011 with the objective of confirming the continuity and grade of the mineralization and establishing mineral resources under modern standards. In September 2012, the Company released an initial estimate of the Mineral Resources in a portion of the Olza zinc-lead deposits, establishing a base on which to move Project Olza forward. The drilling program continued through March 2013 and additional historical information was acquired in July 2014, leading to an update of the estimate of Mineral Resources in 2014. Preliminary metallurgical testwork was also completed during March to June 2013 as part of this initial phase of work.

In 2011, Rathdowney's wholly-owned Irish subsidiaries held over 1,200 square km of prospecting licenses in Ireland. The Company carried out early stage exploration work on these properties from 2008-2010 and conducted initial drill testing in 2011. The Company is not planning further work on these properties. Certain of these claims were allowed to lapse. In September 2012, Rathdowney optioned 31 prospecting licenses (approximately 1,012 square km) held by the Company that comprise the Westmeath South, Westmeath North, Galway, Laois, Longford and Meath properties located in the Irish Midlands zinc-lead district to Teck Ireland Ltd., a subsidiary of Teck Resources Limited. Certain of these prospecting licences at Westmeath, Laois, Meath and Longford were allowed to lapse or returned to Rathdowney. Teck currently holds some 21 prospecting licenses under option.

In July 2012, the Company made a $4.4 million investment in Heatherdale Resources Ltd. ("Heatherdale") by subscribing to a private placement of 22 million common shares of Heatherdale. This private placement has resulted in the Company now holding approximately 16% of Heatherdale, which owns the Niblack copper-gold-zinc-silver exploration project located in southeast Alaska.

In mid-2013, Rathdowney initiated its next phase of work at Project Olza, designed to advance project evaluation and permitting as outlined for projects in Poland. This program, involving environmental and engineering studies and stakeholder engagement activities, was the focus of work in 2014 and will continue into 2015. The current program has also included a Preliminary Economic Assessment which returned positive results. These results were announced in April 2015.

In May 2014, Mr. Robert Konski was appointed President, Chief Executive Officer and a director of the Company.

In August and September 2014, the Company completed a non-brokered private placement of approximately 34 million common shares for gross proceeds of approximately $8.6 million, which funds were used to advance Phase II of Project Olza.

The Company currently has 12 full-time employees in Poland. The Company also has access to all the resources of Hunter Dickinson Services Inc. ("HDSI"), an experienced exploration and development firm with in-house geologists, engineers and environmental specialists, to assist in specific tasks, as necessary.

DESCRIPTION OF OUR BUSINESS

General

The Company is engaged in the business of exploration and development of mineral properties. The Company's primary mineral project is Project Olza, a zinc-lead project in Poland.

A Preliminary Economic Assessment ("PEA") and technical report for Project Olza were prepared for Rathdowney by SRK Consulting (UK) Limited ("SRK") with contributions from Melis Engineering Ltd ("Melis"). The following disclosure is summarized from the PEA technical report, which is entitled "NI 43-101 Technical Report on the Preliminary Economic Assessment of the Olza Zinc-Lead Project, Poland", effective date December 31, 2014, by C. Bray, MAusIMM(CP), L. Roberts, MAusIMM(CP), C. Bonson, EurGeol, P.Geo., H. El Idrysy, CGeol, FGS, and K. Czajewski, P.Eng, of SRK Consulting (UK) Ltd ("SRK") and L. Melis, P.Eng, of Melis Engineering Ltd. SRK is aware that the Polish mining law changed on January 1, 2015. It is not expected that there will be any changes in it that will materially affect the Company's activities. The new law will be considered in the next phase of the Project.

Note: In this section all currency values are in US dollars ("USD") unless otherwise indicated. Canadian dollars are indicated by CAD and Polish zlotys by PLN.

Project Olza, Poland

Summary

Project Olza hosts a Mississippi Valley type zinc-lead deposit with a current inferred mineral resource of 24.4 Mt grading 7.02% Zn+Pb estimated at a 2% Zn cut-off (see Mineral Resource Estimates below). There is excellent additional resource potential as indicated by extensive historical drilling.

The proposed development approach in the PEA considers mining the deposit at a target production rate of 6,000 tonnes per day ("tpd") or 2.16 million tonnes per annum ("Mtpa"), using variations of underground Room and Pillar mining methods. The mine would be accessed by two declines, and mined material would be moved to the surface by a conveyor along one of these declines.

A surface plant would be constructed at site and employ Semi-Autogenous Grinding ("SAG") and ball milling, followed by standard flotation treatment to produce marketable, zinc and lead concentrates for shipment to smelters.

Initial capital costs for the development would be USD227M with sustaining capital of USD51.1M. The total average operating cost is estimated to be USD69.89/t.

A summary of the currently estimated life of mine production developed by the PEA is:

Description		Units	Value
ROM Mill Feed		Mt	16.1
	Zinc Grade	%	4.98
	Lead Grade	%	1.50
Process Recovery			
	Zinc	%	89
	Lead	%	88.5
Zinc Concentrate		kt dry	1,275
	Recovered Zinc	Mlb	1,574
	Payable Zinc	Mlb	1,338
Lead Concentrate		kt dry	307
	Recovered Lead	Mlb	473
	Payable Lead	Mlb	449

Based on the PEA economic analysis, the Project has positive operating margins, a 30% Internal Rate of Return ("IRR") and 2.4 year payback period. The Project life of 8 years, based on the current resource, results in an estimated net cash flow of USD330M and Net Present Value ("NPV") of USD170M.

The PEA is preliminary in nature. It 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.

Property Description and Location

Project Olza is located in the Upper Silesian Mineral District in southwestern Poland (Figure 2).

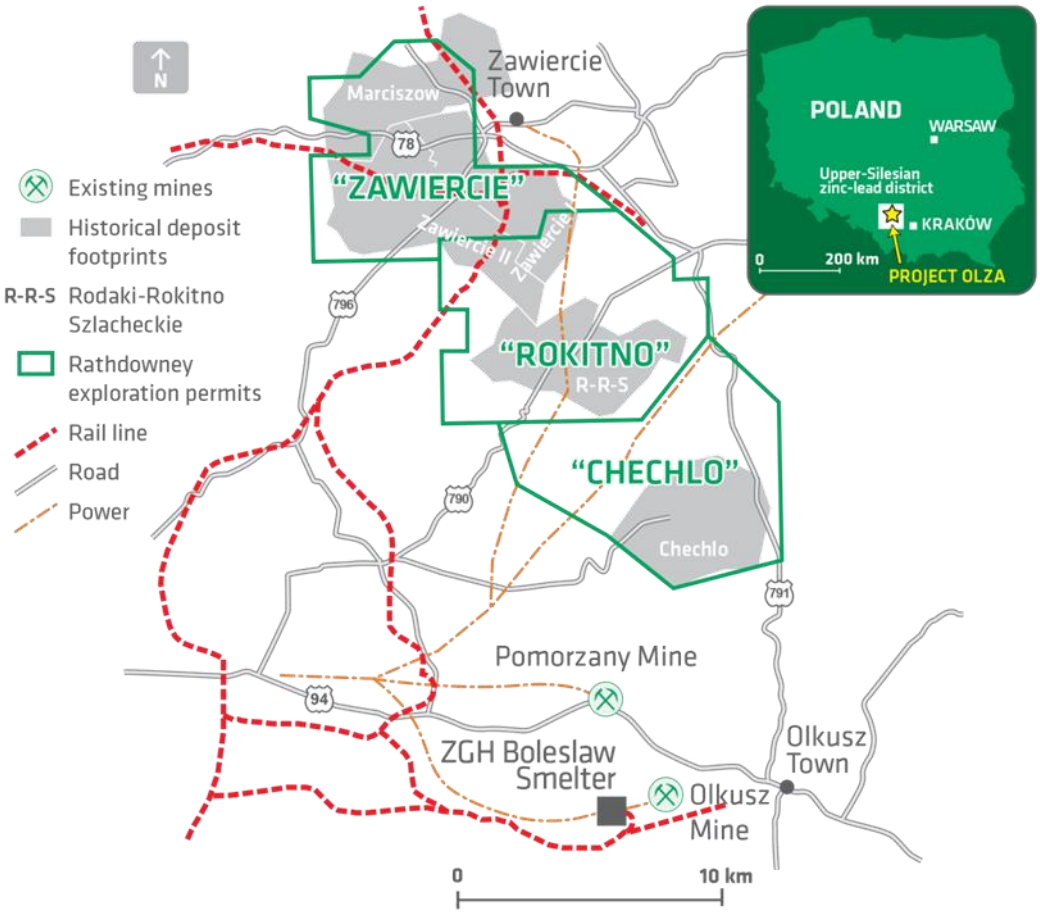


Figure 2: Location of Project Olza

The property comprises three adjoining Exploration Concessions for the prospecting and exploration for zinc and lead ores. The Zawiercie, Rokitno, and Chechlo concessions are approximately 60 km northwest of the city of Krakow in southern Poland, and have a total surface area of 152.65 km^2. All three concessions were originally issued for five years: Rokitno beginning in May 2010; Zawiercie beginning in July 2010; and Chechlo beginning in September 2012. On November 21, 2014, all three concessions were extended for five (5) years and thus are now valid for 10 years from the original issue date. The fees for issuance of the Concessions have been paid by Rathdowney, and Rathdowney has all the necessary permits in place to conduct exploration activities. Rathdowney does not hold any surface title within Project Olza area.

Mineral Exploration and Mining Regulation

Polish Geological and Mining Law, including the granting of Concessions, is administered by the Department of Geology and Geological Concessions of the Ministry for the Environment, located in Warsaw. Most mineral resources in Poland are owned by the Polish State. Metallic ores are included

in the category of 'basic minerals' and are classified in the 'Mining Ownership' group, that is, ownership of mineral rights is not associated with any surface rights.

The Law allows for Prospecting and/or Exploration Concessions, as well as for Exploitation Concessions. The Exploration Concession holder has the exclusive right to apply for an Exploitation Concession, provided that the Exploration Concession holder:

1. prepares Geological Documentation to the Ministry for the Environment summarizing and interpreting the geological work conducted documenting the deposit boundaries, and resource;
2. works with the local authorities (communes) to ensure that development is consistent with local land use plans;
3. prepares an Environmental Impact Assessment (EIA) describing potential effects on the environment;
4. prepares a 'Deposit Development Plan', that is, to a level that enables mining the resource and incorporates a project description, with a mine and development plan sufficiently detailing the rational development of the resource described in the Geological Documentation; and
5. submits an Exploitation Concession Application incorporating all the documents developed in the aforementioned steps.

In addition to applying for an Exploitation Concession, the project proponent is required to conclude a 'Mining Usufruct Agreement' with the State defining the rights and obligations of both parties.

The core of the Prospecting/Exploration Concession is a Geological Works Plan (the "work") giving a very detailed outline of the planned exploration program.

If a third party property is required in order to carry out the work, the Concession holder has right of access, subject to compensation to the third party.

Granting of Exploitation (Mining) Concessions requires the consent of the Ministry for the Environment and the Ministry of the Economy, as well as the consent of local authorities. The holder of an Exploitation Concession is required to set aside in advance a reclamation security for mine closure.

Fees and Royalties

The holders of a Prospecting and Exploration Concession are charged fees per square km of the area held, which cover the entire period for which the Concession is granted. The exact amount, payment dates, and manner of remittance are set out in the Concession document. The fees for concessions held by Rathdowney are summarized in Table 1 below.

Table 1: Summary of Concession Fees (PLN)

Concession Description	2014*	2015	2016	2017	2018	2019	2020	2021
Zawiercie (Concession No. 34/2010/p)	10,334	72,339	72,339	113,675	113,675	113,675		
Rokitno (Concession No. 26/2010/p)	12,421	86,947	86,947	136,631	136,631	136,631		
Chechlo (Concession No. 27/2012/p)	11,353	20,000	20,000	79,471	79,471	124,883	124,883	124,883
Total (PLN)	34,108	179,286	179,286	329,777	329,777	375,189	124,883	124,883
Total (CAD)	11,256	59,164	59,164	108,827	108,827	123,812	41,211	41,211

*One-time payment for five year extension of concession

Sixty percent (60%) of Concession fees and royalties go to the local community and 40% to the National Fund for Environmental Protection and Water Management.

An Exploration Concession holder is also liable to pay the State Treasury for acquisition of historical geological information (such as historical drilling data) from the State geological archive (these have been paid by Rathdowney).

Royalty rates for particular commodities are now defined by the Mining Law. For 2012, the royalty fees for zinc and lead ores were set at PLN1.12 (CAD0.34) per metric tonne of ore.

Poland also levies corporate tax on profits, currently set at a rate of 19%.

Environmental

The Concession boundaries have generally been drawn so as to minimize urban areas within the Concessions. Some limited outlying suburban development and 'ribbon' housing development occur along roads within the properties. There are no nature reserves or parks in the area of the Project development considered in the PEA.

In 2010, Rathdowney commissioned a hydrological study (Schlumberger, 2010) to evaluate existing groundwater data and advise the company on a course of action to ensure water resources are not impacted by drilling activities. A preliminary overview of the hydrogeology of the Zawiercie area was carried out. Rathdowney has worked with Dr. Mariusz Czop of AGH University of Krakow, Poland and has also retained hydrogeological experts to advise the company on an ongoing basis in order to ensure protection of water resources.

The zinc-lead deposits at Olza are hosted mainly within Triassic carbonates. The aquifer in the Triassic carbonates is also used as a source of groundwater for industrial, agricultural and some domestic purposes.

Setting and Local Resources

Location

Project Olza is within the North European Plain, a relatively flat area with an average elevation between 300 to 350 m above sea level. Within the project area, there is land available for potential surface facilities to support a proposed underground mine and associated processing infrastructure. Exploration and mining activities can be carried out year round.

Access

An excellent network of paved roads links the Project Olza area to the major population centers of Krakow (population 750,000) and Katowice (population 2,750,000). Travel time to either of these cities is approximately one hour from site. Both cities are located on main railway lines that connect to Poland's capital of Warsaw and are served by international airports. There are also a number of small towns on the fringes of the Concession areas. The most significant town in the vicinity of the Project Olza is Zawiercie, an industrial hub situated on the main Gdansk-Warsaw-Vienna railway line with access to the Baltic Sea ports and other major industrial sites in Europe. The Project Olza office is in Olkusz (population 38,000), an industrial town (see Figure 3).

Within the Project area vehicular access is by paved roads and unsealed farm/forestry tracks. Access is possible all year round.

Infrastructure

Local infrastructure is very well established, as shown below. Power and water are available from the local utility and numerous high tension power lines traverse the properties. The Warsaw-Vienna rail line connects the Project area with ports on the Baltic Sea, providing easy logistics for movement of material to site or concentrate to world markets. The rail line also connects the Project area to the Boleslaw zinc-lead milling and smelting facilities (ZGH Boleslaw), located 25 km south of the Project.

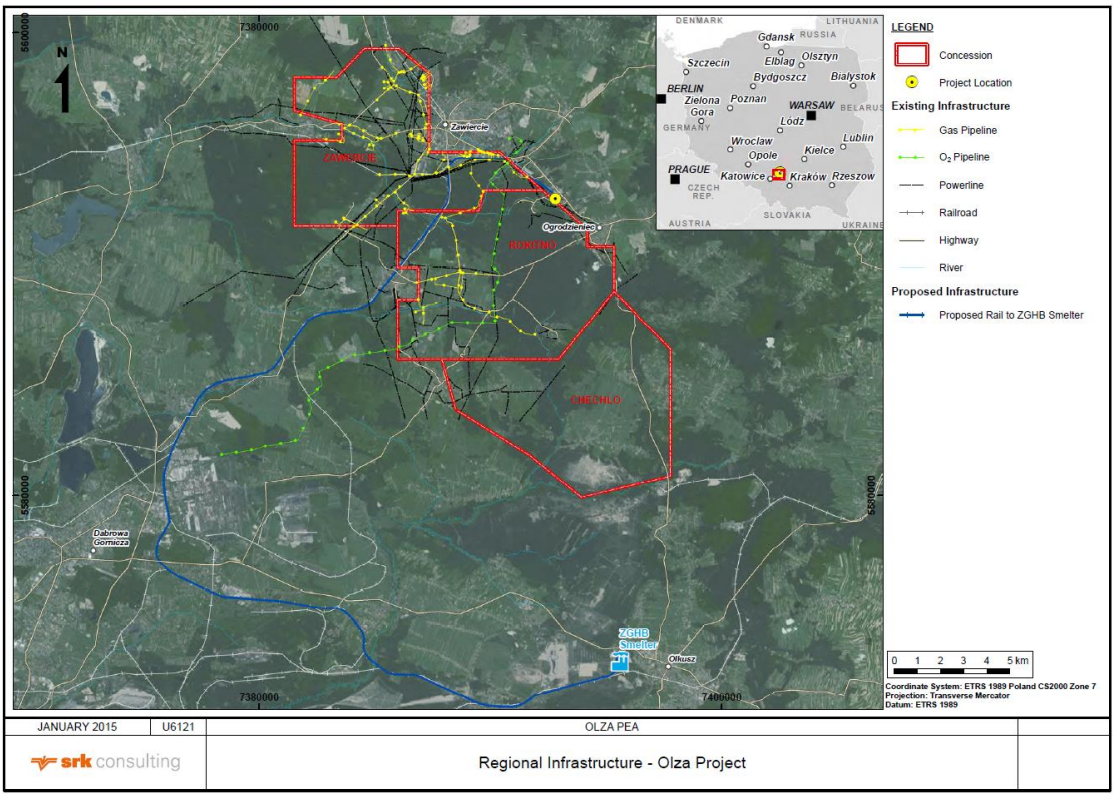


Figure 3: Regional Infrastructure – Project Olza

Local Resources

There are several historical, long-life zinc-lead mines in the area, including Boleslaw (mined from 1945 to 1996), Olkusz (mined from 1968 to 2013), Trzebionka (mined from 1962 to 2008), and Pomorzany (mined 1974 to present). Historically, reserve/resources for the deposits have been under-estimated; according to a Rathdowney compilation of results from annual reports of the Polish Geological Institute ("PGI"), the large Pomorzany underground zinc-lead mine has produced 90 Mt whereas original reserves were in the order of 51 Mt (www.geoportal.pl).

With the proximity of the Olza concessions to historic Silesian mining centers, including Pomorzany and the Boleslaw zinc smelter complex, Project Olza has access to well-established infrastructure, modern mining expertise and a skilled workforce. Pomorzany, the only mine remaining in operation, is the current feed source for the local zinc refinery. Its reserves are currently expected to be depleted in 2016.

Social Setting

The Zawiercie, Rokitno, and Chechlo exploration concessions straddle five different communes (local administration units) named Poreba, Zawiercie, Ogrodzieniec, Lazy, and Klucze. The Zawiercie exploration concession is split between four communes: Zawiercie, Poreba, Ogrodzieniec, and Lazy, of which Zawiercie and Poreba predominate in terms of the surface area. The Rokitno exploration concession is split between the Lazy and Ogrodzieniec communes. The Chechlo exploration concession is split between three communes: Klucze, Ogrodzieniec, and Lazy, of which Klucze predominates in terms of surface area.

The Poreba, Zawiercie, Ogrodzieniec, and Lazy communes are part of the Silesian Province (a larger administrative unit of Poland), whereas the Klucze commune is part of the Lesser Poland Province.

History

The region has long been known for its mineral occurrences dating from the 12th century, with considerable historical production starting from the shallow zinc-lead oxide deposits. The mineralization at Project Olza remains as a significant undeveloped deposit within the region.

The Olkusz and Pomorzany underground zinc-lead mines, which are located in close proximity to Project Olza, were commissioned in 1968 and 1974, respectively, and exploited deposits from 60 to 150 m below surface.

Historical Drilling

Beginning in the 1950's, several Polish state organizations explored for zinc-lead in the area of the Project Olza and drilled over 180,000 m using Soviet-era practices. Until award of the exploration concessions to Rathdowney, the zinc-lead deposits of these areas had not been subject to exploration by private-sector companies with economic objectives.

Rathdowney personnel and consultants conducted extensive research in the archives of the Polish State organizations. Documents accessed in these repositories were scanned whenever possible as a first step in creating a digital compilation for the Project. Historical drilling (pre-2011) has been summarized from these data, in particular, information from the archives of the PGI and the 2010 NI 43-101 Technical Report by CSA Global (CSAG). Rathdowney has also carried out further data validation; the process is described in the PEA.

Historical Tonnage/Grade Estimates

The Soviet-style mineral resource classification system was used to generate historical tonnage-grade estimates on several occasions by the PGI on the Zn-Pb deposits in the Olza area historically referred to as the Zawiercie I and II, Rodaki-Rokitno Szlacheckie, Chechlo, and Marciszow (historical deposit footprints are shown in Figure 2). The historical estimates were largely, completed using the same source data, but varying economic parameters and estimation methods at different times. The results of the historical estimates for the Zawiercie deposits are summarized in Table 2.

A comparison between Russian/Polish resource classification terminology and CIM terminology is shown in Figure 4.

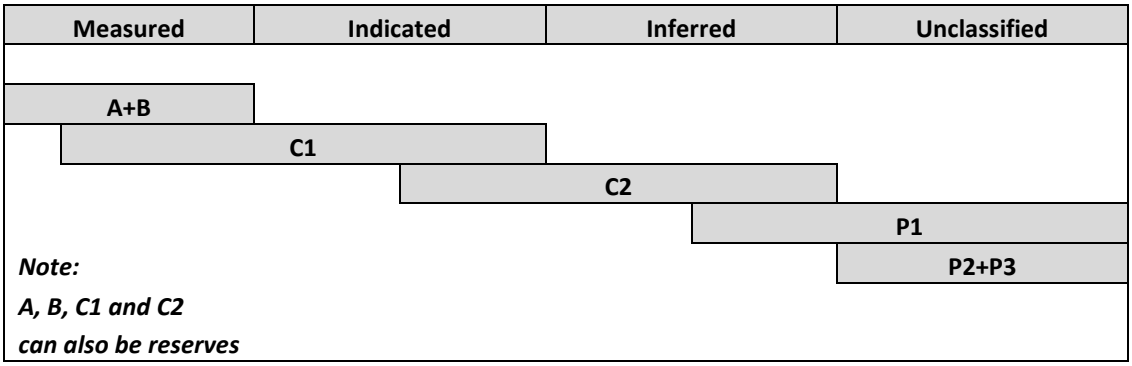


Figure 4: Comparison of Pre-2000 Polish Resource Terminology with CIM Definitions (From CSAG, after Henley, 2004)

Table 2: Zawiercie Historical Estimates by PGI

Deposit	Year	No. of holes	Meters drilled	Period of drilling	Category	Mt	% Zn	% Pb
Zawiercie I	2008	510	Unknown	Most pre-1975	C-1 + C-2	17.0	5.80	2.32
	1994				C-1	16.3	6.00	2.50
	1990				C-1	34.5	4.92	1.98
	1977				C-1	24.7	4.27	1.58
	1975				C-2	34.5	4.92	1.98
Zawiercie II	2008	240	Unknown	Most pre-1975	C-2	2.9	6.98	2.48
	1992				C-2	35.5	2.07	2.05
	1990				C-2	42.6	2.56	2.99
	1975				C-2/D	21.0	2.26	2.96

The past drilling programs and the various historical estimates undertaken by the PGI confirm the presence of extensive zinc-lead mineralization within the Zawiercie and Rokitno exploration concessions. The considerable variation in these estimates reflects the different parameters applied. However, data verification (see page 18) has determined that the historical data are consistent and sufficiently accurate for inclusion. A qualified person has not completed work to classify these historical estimates as current mineral resources or mineral reserves and Rathdowney is not treating them as current mineral resources or mineral reserves as defined under NI 43-101.

The results of recent drilling and subsequent work conducted by Rathdowney in the areas of the Zawiercie and Rokitno concessions correlate well with historical drilling and PGI historical estimates in the areas of the current mineral resources.

Geological and Mineralization

Regional Setting

Project Olza lies within the Upper Silesian Mining district, near the boundary between the Caledonian Krakow-Myszkow structural zone and the Variscan Upper Silesian coal basin. Zinc and lead deposits in Upper Silesia are principally hosted by dolomites of the Middle Triassic Muschelkalk Formation but locally zinc and lead mineralization also occurs in older rocks, including Devonian limestone and dolomite. In the southwestern part of the district, the Triassic host rocks overlie Upper Carboniferous Coal Measures. However, in the northeastern part of the district, where Project Olza is located, the Triassic rocks transgressively overlap the erosional paleosurface of the Lower Carboniferous and Devonian carbonates, and the PermoCarboniferous strata are missing. Below this succession lie Lower Paleozoic sedimentary, metamorphic, and igneous rocks that comprise the strongly folded Variscan-Caledonian basement.

An important control of the mineralization in the essentially flat-lying Mesozoic rocks of the Upper Silesian district is sub-vertical extensional faulting. These faults, believed to result from the reactivation of older structures in the geologically complex Caledonian basement during the Early Cretaceous, may have acted as 'feeder' systems for mineralizing fluids.

Local Geological Setting

The bulk of zinc-lead mineralization in the district is hosted by the 30 to 80 m thick ore-bearing dolomite (OBD)[1], a zone of epigenetic hydrothermal alteration largely coincident with the Middle Triassic Muschelkalk beds and distinct from the earlier, regional-scale, diagenetic dolomitization. While this zone of dolomitization is largely restricted to the strata of the Lower Muschelkalk

[1] The local name for the host of most of the mineralization at the mines in the district, and at Project Olza

Formation, it does locally extend into the underlying Devonian carbonates and the overlying Middle-Upper Muschelkalk dolomites.

Mineralization

The zinc-lead deposits are essentially stratiform to podiform bodies, occurring as replacement karstic cavity infill and collapse breccia mineralization. Thicknesses of these stratiform deposits are irregular but they can range up to 10 m or so. The lateral extent of individual pods or lenses also varies but is typically several hundred meters. Breccia-pipe and vein-type mineralization also rarely occurs.

Deposit mineralogy is dominated by sphalerite and galena, with associated marcasite, and subordinate calcite, dolomite and locally barite. Silver is largely associated with sphalerite.

Deposit Type

Olza mineralization clearly fits the MVT model, in terms of geological setting, host lithologies, mineralization textures and dominant mineralogy.

Exploration

As the Rokitno and Zawiercie Concessions is an area without exposures of mineralized rock, the bulk of work conducted to date on the properties by Rathdowney has consisted of diamond drilling.

Two localized Induced Polarization/Resistivity geophysical surveys were conducted on selected areas of the Rokitno and Zawiercie Concessions. These techniques were not successful: partly as a result of widespread man-made electrical interference in the property area, and also because of the non-conductive nature of the sphalerite-dominant mineralogy of the mineralization. Basic gravity modelling was also conducted with a view to locating vertical breccia pipes on Chechlo; however, the results indicated anomalies would likely have very subtle effects, and suggested that the method would not be particularly useful as an exploration tool.

With regard to future exploration, MVT mineralizing systems typically require drilling on a grid that is tighter than that conducted over the major parts of the Project area. There are a number of areas of known mineralization (determined by historical drilling) that have not been tested by Rathdowney, and historical underestimation of resources at the Pomorzany mine based on pre-mine exploration drilling from surface compared with mine production (Retman, 2006; Wnuk, 1999), indicates the overall property is still significantly under-drilled.

Drilling

The Rathdowney drilling program reported herein extended from June 2011 to February 2013. Drilling was carried out on the Zawiercie, Rokitno and Chechlo concessions.

The drilling program was designed to confirm and expand the known zinc-lead deposits and to establish mineral resources in compliance with CIM guidelines and NI 43-101, as required under securities legislation for Canadian-listed companies. The program was successful in meeting these objectives.

The initial mineralized trend investigated on the Rokitno and Zawiercie concessions follows a curvilinear pattern. The length of this corridor is approximately 10 km and it is up to 1 km in width. Zinc and lead values are generally restricted to the flat-lying dolomitic unit, the OBD, typically at depths ranging from 70 to 220 m below surface. Almost all of the mineralization encountered comprises fresh sulphides, with relatively minimal localized oxidation.

Drilling by Rathdowney of 225 core holes totalling 28,813 m was carried out using wireline equipment. The smallest diameter core drilled was NQ size (47.6 mm), and over half of the meterage drilled was HQ size (63.5 mm diameter). The deepest hole was drilled 326 m, and the average depth of the holes in the program is 128 m. All but four holes were drilled vertically; holes OLZ-201 through OLZ-204 were drilled at -60° with azimuths ranging from 065° to 086°. The mean core recovery was 87.5%.

Core was processed by Rathdowney geological staff in the project area, near Rokitno, Poland. The core-processing facility and standardized processing procedures were carried out using industry best practices.

Rathdowney staff conducted numerous bulk-density measurements on core. Cores were air-dried overnight or longer, then weighed in air and film-coated, prior to being weighed in water.

The core-processing facility and procedures were reviewed in an independent technical report for Rathdowney in 2012. CAM (2012) reported that they were "satisfied that processing was carried out using standardized procedures, with written protocols, to industry standard".

Sampling and Analysis

Rathdowney collected 7,108 samples from 5,032 m of core for analysis during the 2011, 2012 and 2013 programs. Core was boxed at the drill rig and transported by company vehicle to secure core logging facility of RTH at Rokitno, Poland, where it was logged by company geological staff. Geotechnical logging, density measurements, core photography and sampling were also performed at this facility.

Sample preparation and chemical analysis were undertaken at OMAC Laboratories Ltd. in Ireland, an ISO/IEC17025 -accredited laboratory totally independent of Rathdowney. Mineralized samples were assayed for Zn, Pb, and Ag by multi-acid digestion with inductively coupled plasma - atomic emission spectroscopy (ICP-AES) finish. All host (wall rock) samples and mineralized samples were also assayed for Zn, Pb and Ag by four-acid (HF-$HClO_4$-HNO_3-HCl) digestion with ICP-AES finish. Multi-element analyses were variously for 33 elements, or 45 elements for both mineralized and wall rock samples. Rathdowney instituted a QAQC program consistent with industry best practices, over and above the QAQC programs of the laboratories involved.

Core from historical drilling was assayed for zinc and lead, and core from drilling by Rathdowney was assayed for zinc, lead, silver and a standard multi-element package.

Analysis of 3,115 Rathdowney-drilled assay intervals with detectable Ag values from Project Olza drilling indicates there is a positive correlation of Ag with Zn. Statistically, 845 Rathdowney samples >2% Zn have median and mean values of 12.9 ppm and 23.8 ppm Ag, respectively; however, too few assays are available to adequately estimate silver over the entire resource area.

SRK believes that the analyses are sufficiently representative and accurate for use in mineral resource estimation.

Data Verification

A key component of Project Olza is the existence of over 1,600 historical diamond drill core holes on the property. Location and assay data are available for the great majority of these holes, and some of the core from them (39 holes with 22 of these containing well mineralized intervals) is stored in Polish government facilities. Rathdowney comprehensively identified, recovered, and digitized data from this historical drilling. The steps included recovery and transcription of historical records, re-survey of historical drill collars, digital data entry, and validation of the data entry. As a result, 1,679 historical drill holes were recorded, of which 1,055 had location and assay records.

The validity of the historical data for resource estimation was assessed from three standpoints. Spatial accuracy of historical drill holes was verified by locating and surveying collar monuments; transcription from paper to digital was verified by employing a double-entry method; and the veracity of historical assays were verified by block interpolation in a common area using 'historical-only' and subsequently 'Rathdowney-only' drilling information and then the results were compared. A third party (CAM, 2012) also completed a data verification program in association with an initial mineral resource estimate for the Project in 2012. Based on the results from these three areas of assessment it was determined that the historical data are consistent, and sufficiently accurate for inclusion in the estimation of an Inferred Resource.

Metallurgical Summary

The first phase of metallurgical testwork for Project Olza was completed at SGS Minerals Services UK Ltd. near Truro, Cornwall, UK under the direction of Melis. The work encompassed preparation and analyses of the test composite, mineralogy (rapid mineral scan), comminution testing, heavy liquid and gravity separation testing, open cycle rougher and cleaner flotation tests, lock cycle flotation testing, concentrate analyses and preliminary physical and chemical characterization of tailings.

A single composite was prepared and tested and was made up from core selected by geologists from Rathdowney from 25 drill holes representing the Olza mineralization styles in proportion to their relative abundance in the documented resource area. The average test head grade of the overall test composite was 6.1% Zn and 1.4% Pb for a combined head grade of 7.5% Zn+Pb.

A sample of the test composite was submitted for a Ball Mill Bond Work Index (BWI) test, resulting in a Ball Mill BWI measurement of 10.6 kWh/t and indicating that the Olza mineralization is relatively soft.

The preliminary test program showed that the Olza mineralization responded well to standard lead and zinc flotation conditions without any upgrading ahead of flotation. The results of this test program were used for the process component of Project Olza PEA.

Primary grind rougher flotation tests showed that a primary grind P_{80} of 90 µm (80% passing size) would maximize metallurgical efficiencies.

Lock cycle testing of the test composite yielded a projected zinc recovery of 92% to a zinc concentrate containing 58% Zn. The projected iron content of the zinc concentrate is low at less than 0.5% Fe. Projected lead recoveries are 90% to a lead concentrate containing 70% Pb.

The results of the lock cycle test provided in the technical report were adjusted to reflect the PEA life-of-mine grade of the Olza deposit, 4.98% Zn and 1.50% Pb. Target recoveries and grades for this anticipated mill feed grade are 89% zinc recovery to a zinc concentrate assaying 56% Zn and a lead recovery of 88.5% to a lead concentrate grading 70% Pb.

Mineral Resource Estimates

A Mineral Resource estimate for Project Olza was prepared by David Gaunt, P.Geo of HDSI and has subsequently been audited by the Qualified Person for the estimate in the PEA, Dr Lucy Roberts MAusIMM (CP) of SRK. Dr Roberts is an independent QP as defined by NI 43-101, with respect to the Mineral Resource estimates contained within the PEA technical report. SRK has audited the supplied model and supporting data, and discussed the methodologies implemented in the generation of the model with HDSI. SRK considers these appropriate for the style of Zn-Pb mineralization which characterises the Olza mineral assets. The QP assumes overall responsibility for the Mineral Resource estimate presented below.

The current Mineral Resource estimate, as audited by SRK, is based on all relevant drilling including those holes completed by Rathdowney since May of 2012, the effective date of the previous resource estimate, plus all available historical drill holes cored by previous operators. Since May of 2012, there has been an additional 2,801 assays in 71 holes added to the drill database.

The estimate was completed using Inverse Distance squared (ID^2) interpolation of grades and bulk densities into blocks constrained by a three dimensional (3D) model of the mineralized zone. Search strategies and classification of Mineral Resources were based on continuity analysis of mineralized intercepts. The Mineral Resource estimate is reported in accordance with the CIM Definition Standards for Mineral Resources and Mineral Reserves (May 10, 2014), as required by NI 43-101.

The mineral resource for Project Olza was estimated using analytical information from drilling by Rathdowney and by several previous historical (pre-2000) operators. A total of 1,016 drill holes were used in the estimation.

An un-rotated block model was constructed and using all relevant drilling data and constrained by a wireframe of the mineralized horizon. The parent block size was 25 x 25 x 1 m, with a sub-blocking size of 12.5 x 12.5 x 0.5 m. The hanging wall and footwall of the mineralization were delineated using a threshold of 0.5% Zn + Pb, and the resulting solid was used as a hard boundary in the resource estimate.

Values for bulk density, Zn and Pb were interpolated into the blocks using ID^2 as the estimator most effectively characterizing the mineralization at Olza. Interpolation was carried out in a single pass using a search ellipse with a radius of 150 m in the major and semi-major axes as per the modelled ranges from the variogram. The hanging wall and footwall surfaces were used to unfold the mineralization during interpolation. Zn and Pb were interpolated using a minimum of three samples from a minimum of two drill holes.

Bulk density measurements were estimated into the block using the same approach as the metal grades, but with an expanded search radius of 175 m, and with only one data point required to estimate a block to ensure all blocks with estimated grade also carried a bulk density value.

Based on the geostatistical analysis of the Project Olza Zn-Pb data, a classification of Inferred Resource can be assigned to blocks estimated from samples with an average distance of 130 m or less. Given the spatial uncertainty associated with the locations of the historical drill collars, this classification was assigned to the entire resource base. The block model extent is shown in Figure 5.

A minimum cut-off of 2% Zn was used in the resource tabulation. The results of the estimate at a range of cut-offs are tabulated below in Table 3. The effective date of the Mineral Resources disclosed is 16 July, 2014.

Table 3: Inferred Mineral Resource for Project Olza as of 16 July, 2014 (Source: Rathdowney)

Cut-off Zn%	Tonnes (M)	Zn (%)	Pb (%)	Zn+Pb (%)	Contained Zn (Mlb)	Contained Pb (Mlb)
2.0	**24.4**	**5.53**	**1.49**	**7.02**	**2,975**	**802**
3.0	18.8	6.43	1.59	8.02	2,660	658
4.0	14.1	7.42	1.70	9.12	2,304	528
5.0	10.4	8.44	1.81	10.25	1,944	417

Notes:

Contained metal based on 100% recovery

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

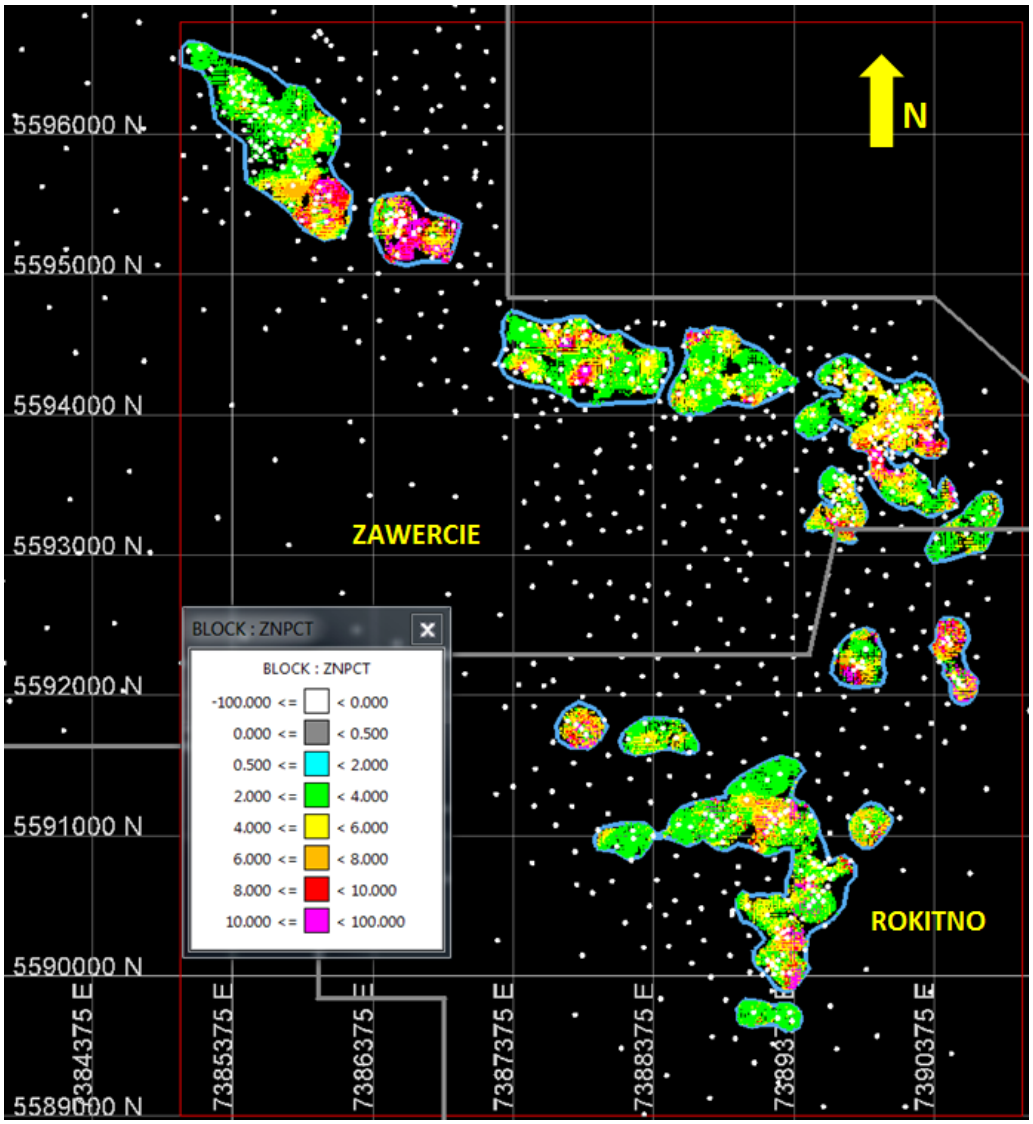


Figure 5: Extent of Blocks within the current Mineral Resource estimate at a 2% Zn cut-off

Estimated blocks (various coloured points), drilling (white dots), extent of inferred resource (blue polygons), block model extent (red) and concession boundaries (grey)

The SRK QP has audited the presented Mineral Resource Statements for the Olza mineral deposits and has made no adjustments. The audited Mineral Resource Statement is therefore consistent with the HDSI Mineral Resource Statement for a 2% Zn cut off. The SRK Mineral Resource Statement for the Olza deposits is given in Table 4.

Table 4: SRK Audited Mineral Resource Statement for Olza reported above a 2% Zn cut-off grade

Classification	Tonnes	Zinc Grade	Lead Grade	Combined Grade	Contained Zinc	Contained Lead
	(M)	Zn (%)	Pb (%)	Zn+Pb (%)	(Mlb)	(Mlb)
Inferred	24.4	5.53	1.49	7.02	2,975	802
Total	24.4	5.53	1.49	7.02	2,975	802

Notes:

Contained metal based on 100% recovery.

Mineral Resources are not Mineral Reserves. Mineral Resources that have not been converted to Mineral Reserves do not have demonstrated economic viability.

SRK and HDSI are not aware of any factors (environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors) that have materially affected the Mineral Resource estimate for Project Olza.

The Mineral Resource is restated as of 11 February 2015.

Dr. Lucy Roberts MAusIMM (CP) fulfils the requirements to be a Qualified Person as defined by NI 43-101. As QP for Mineral Resource Estimates, she has audited the data, assumptions and methodologies used in the estimation, and classified the Mineral Resources for Project Olza according to the "CIM Definition Standards for Mineral Resources and Mineral Reserves (amended May 2014)".

Dr. Chris Bonson, EurGeol, Principal Consultant (Structural Geology), SRK Consulting (UK) Ltd Qualified Person as defined by National Instrument 43-101. Dr. Bonson has undertaken a review and verification of the geological setting and mineralization; deposit type; exploration; drilling; sample preparation, security and analyses; and data verification of the Project Olza, and visited site in January 2015. He is QP for the relevant sections of the PEA technical report.

Mining Methods

Introduction

The proposed approach in this PEA considers mining the Olza zinc and lead deposit at a target production rate of 6,000 tonnes per day (tpd) or 2.16 million tonnes per annum (Mtpa) using variations of underground Room and Pillar (R&P) methods with an unconsolidated coarse sand backfill. The mining method approach and production rate has been determined through various option studies used to determine an appropriate economy of scale. For the PEA production estimates, Inferred Mineral Resources have been modified to include estimates of mining dilution and mining recovery.

The Pomorzany, Olkusz and Boleslaw zinc-lead mines, located within 30 km of Project Olza, provide a valuable insight into the mining methods, including backfill and dewatering, which may be applicable.

Geotechnical

The setting of the deposit consists of a series of unconsolidated and rock units, defined by their age and physical properties. The main units are:

- Quaternary (un-consolidated superficial materials); and
- Silurian through to Cretaceous (rock).

The geology and mineralization at Olza is described as MVT, which comprises nearly flat-lying marine carbonates at moderate depths which occur elsewhere in the surrounding region in the Upper Silesian are similar (although differ in deposit age) to marine carbonates at Lisheen, Galmoy and Navan deposits in Ireland; Pine Point deposit in Canada; and Tri-State/Joplin and Viburnum/Buick deposits in the USA.

A 3D geological model created by SRK to understand the orientation of the mineralization and the spatial variability of the resource drilling shows the mineralization is sub horizontal to shallow dipping ±15°, and strata bound at depths 80 to 140 m below surface. In parts of the mineralization, the

dip increases to 40°. The dip of the mineralization will be taken into account when assessing the applicable mining methods in detail.

The minimum mining height used in the PEA of 2 m is based on the practical operating height for low profile mining equipment.

It is expected that the average mining height will be 3.5 to 5 m based on the current resource model; production stope heights extend up to 10 m in isolated areas however.

Three separate geotechnical zones required for analysis of the underground conditions are defined as the hangingwall (back or roof), mineralization and footwall. To create these zones, a surface was defined 15 m above and below the mineralized envelope to refine the dataset. The conclusions from data interpretation, analysis and reporting are:

- The morphology and geometry indicates that the thickness of mining is generally greatest in the center of a mineralized zone;
- Variability in geometry, dip and thickness of the mineralized zones is known to exist;
- At 80 m mineralization depth, a pillar width to height (W / H) ratio of 1:1 is acceptable to maintain pillar stability in the short term indicated by an acceptable pillar Factor of Safety of 1.3, with sand backfill placed for long term stability of excavations to reduce risk of surface subsidence. Analysis has been undertaken at 2, 5 and 10 m pillar heights;
- At 140 m mineralization depth, a W / H ratio of 1.4 is acceptable to maintain pillar stability in the short term with sand backfill placed for long term stability of excavations to reduce risk of surface subsidence. A greater knowledge of the rock mass is required to refine this ratio; and
- Extraction ratios are controlled by mining height and depth below surface.

Hydrogeology

Project Olza is located in an area where water supplies mainly rely on groundwater resources.

There are a number of water supply wells in the area that draw large quantities of groundwater, some of which is used for drinking water but mostly for industrial use. Four aquifer units are identified in the area: Quaternary aquifer; Jurassic aquifer; Triassic aquifer; and Devonian aquifer, which is beneath the Triassic formation.

Schlumberger Water Services (SWS) report *Conceptual Hydrogeological Model for the Zawiercie Zn-Pb Deposit Area (2010)* states that a number of studies undertaken between 1970 and 1973 to characterise the hydrogeology of what was historically called the Zawiercie I deposit (see Figure 2 for its location). The data collected is understood to be in the custody of the Department of Hydrogeology at the AGH University in Krakow.

Mining Method

The underground mining methods proposed for Project Olza are applied based on the thickness and dip of the mineralized zones (Table 5). The mining methods proposed are all adaptions of the R&P method adjusted for alternative thicknesses and dips.

Separate option studies have been undertaken for backfill and materials handling for the Olza PEA. A clean sand backfill will be hydraulically reticulated to excavated stopes in order to reduce the likelihood of subsidence. Equipment selection is based on production requirements and stope dimensions. Standard underground boom jumbos, loaders (LHD) and haul trucks have been selected to mine areas in excess of 3.5 m in thickness and low profile equipment have been costed for use in those areas less than 3.5 m thick.

Table 5: Summary of Mining Methods Applied

Mining Method	Deposit Characteristics		
	Thickness		Dip Range
	Min (m)	Max (m)	(deg)
Classic Room & Pillar	2	15	0 to 15°
Step Room & Pillar	2	5	15 to 30°
Post Room & Pillar	15	30	20 to 55°

Underground Access and Design

To facilitate underground access and to expedite the construction schedule two separate declines will be constructed. A decline will be driven from the proposed site of the process plant to intersect with the main haulage drift. This decline 'CD1' would be excavated to sufficient width to accommodate a conveyor similar in layout to that used at the Lisheen mine in Ireland or the Chelopech mine in Bulgaria. A second decline 'TD1' would be driven in close proximity to the main portion of the currently defined resource. This second decline would be used for transport of men, equipment and materials to expedite the underground development.

A conceptual-level design for haulage drifts, assuming a drift cross-section of 25 m^2 (5mW x 5mH) were positioned within the stope shapes (Figure 6).

Figure 7 shows how the rooms and pillars would be laid out according to the extraction ratios prescribed by the geotechnical analysis.

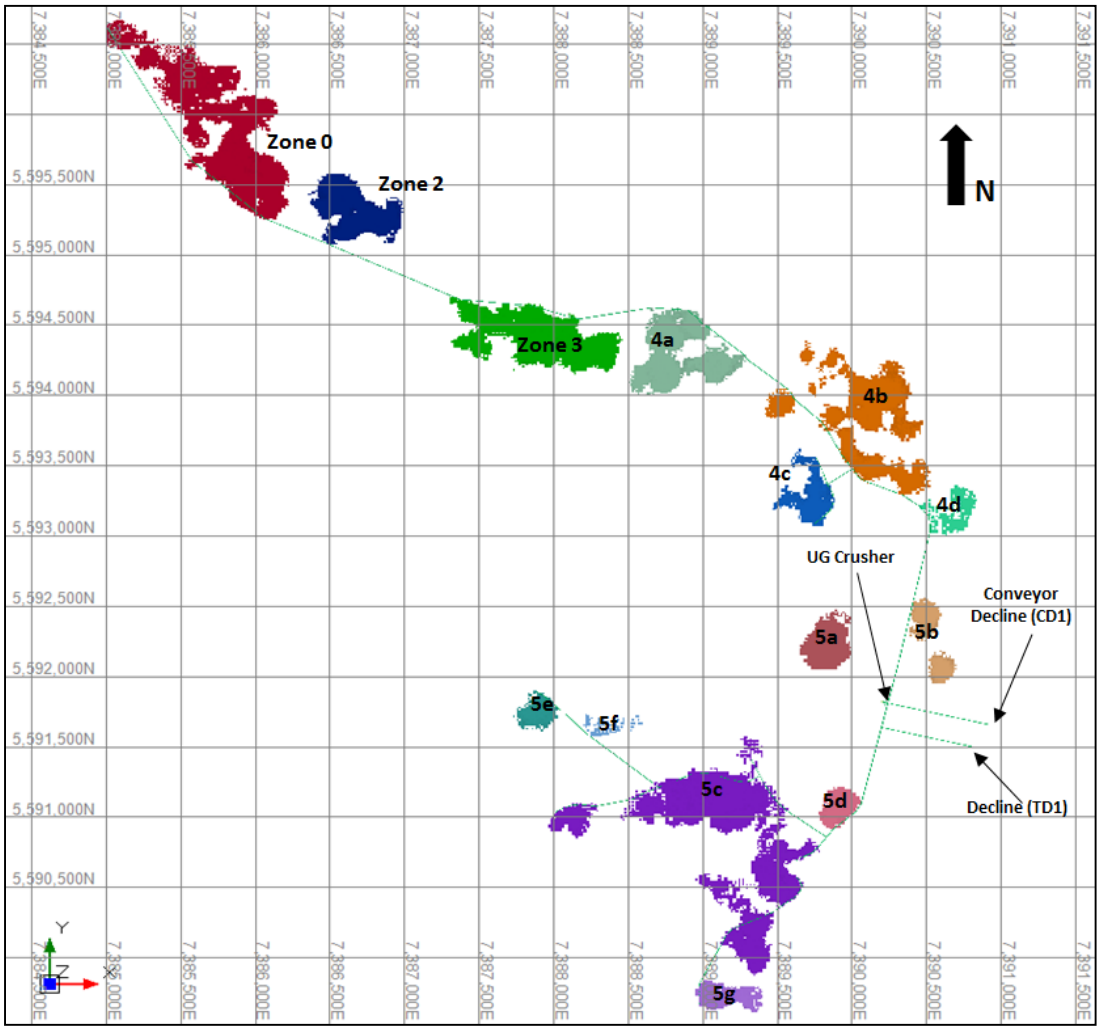


Figure 6: Conceptual Stope Access Design

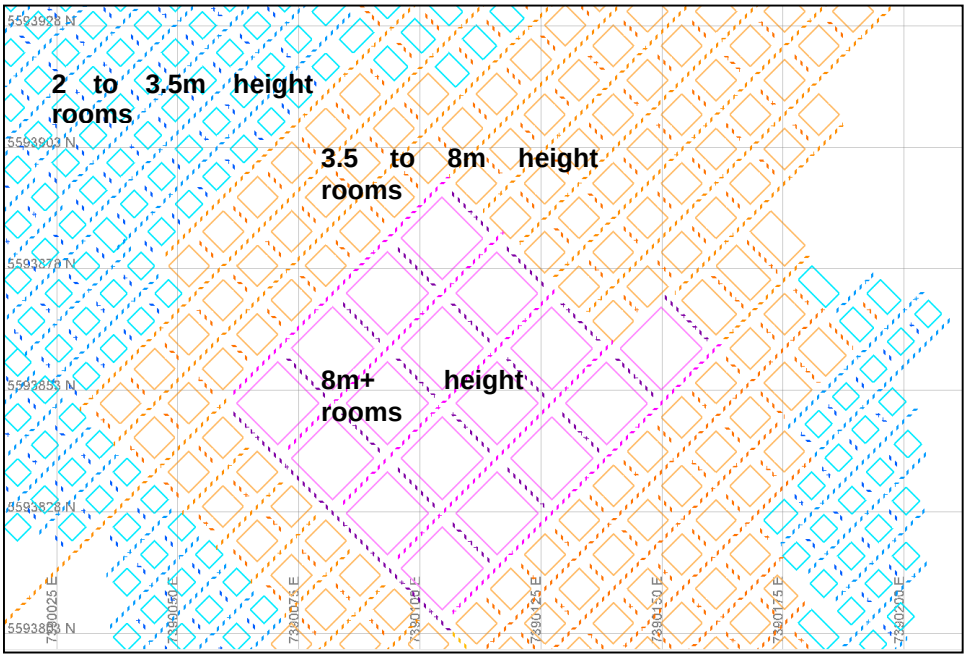


Figure 7: Conceptual Room and Pillar Layout for Project Olza

Backfill

A comparative analysis with a cemented tailings fill determined that a clean sand fill would be the most economical solution. A hydraulic system will be utilized for placement of an unconsolidated clean sand fill (screened on the surface) in mined out stopes. The sand fill will be contained within rock pillars and timber barricades and is expected to fill fairly tight to the backs of the stopes. This is similar to the backfill method utilized by ZGH Boleslaw's Pomorzany mine located 25 km to the south of Project Olza.

As the Project progresses, geotechnical modelling will be undertaken to optimize extraction of the Mineral Resource through the use of a fill material.

Mining Equipment, Personnel and Services

Contractor Involvement

Initial underground mine development will be completed by appropriate contractor(s) in order to provide the necessary equipment and skills to achieve the required schedule. The contractor(s) will commence the separate boxcuts for the conveyor decline (CD1) and the men and materials decline (TD1) in Year -2 (minus 2; that is, two years before first production) followed by decline development, connecting drives and ventilation raises to surface. The contractor will also be responsible for construction and installation of the underground crusher and underground conveyor system.

All other underground development and production activities will be completed by the Owner's mining team.

For the purpose of cost estimation in the PEA, it is assumed that the contractor will provide its own equipment, consumables, personnel and management, and these costs are incorporated into the contractor rates and mobilisation costs in the economic modelling.

Mining Equipment

The equipment required to undertake mining activities at Project Olza for the PEA was selected based on practical experience of working in similar mining environments and on current practises in the immediate area. Figure 8 and Figure 9 provide the annual estimates of the major load, haul, development and production equipment required to achieve a production rate of 2.16 Mtpa.

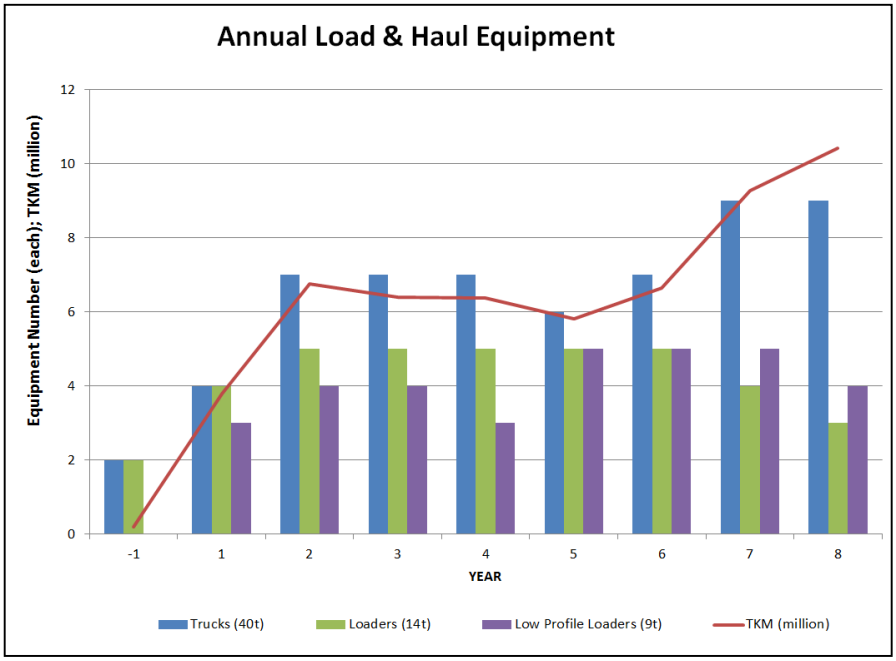


Figure 8: Annual Load & Haul Equipment

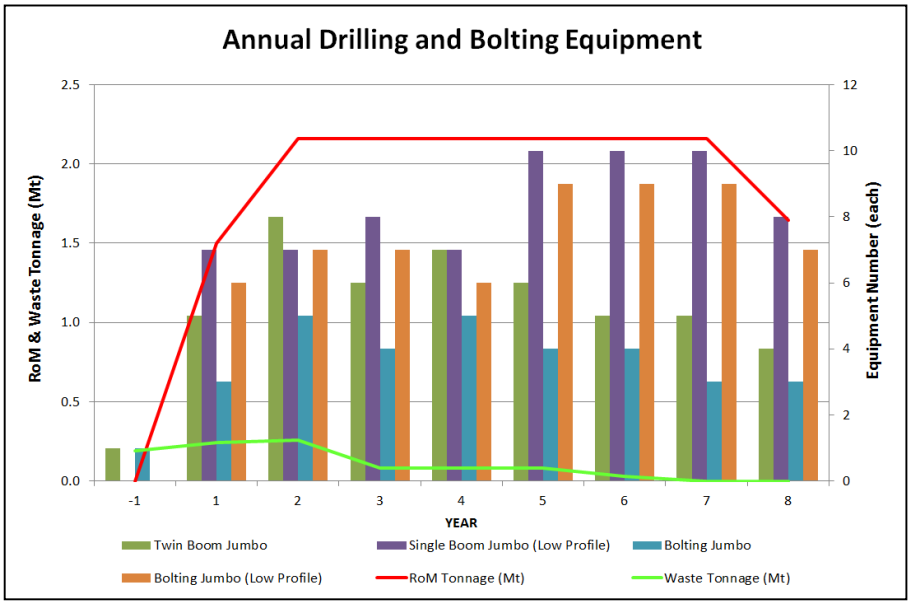


Figure 9: Annual Drilling and Bolting Equipment

Mine & Mill Personnel

Staff and labour requirements for a 6,000 tpd (2.16 Mtpa) underground operation at Project Olza have been developed using the typical management and professional staffing levels for this size of operation, operating 3 x 8 hour shift, 24 hours a day and 7 days per week. Maintenance and underground operators and labour are based on the annual equipment estimates. Equivalent salary and pay grades were developed from operating mines in Poland.

Most underground positions are based on four rostered crews working a 3 shift, 24 hour rotation with a maximum working week of 40 hours, and a majority of the management and staff are to work only day shift.

Figure 10 provides an annual estimate of the total personnel requirements for the underground operation and process facilities and the run of mine (ROM) Production.

Expatriate Personnel

In order to achieve best international practices at the mine, SRK has included a number of expatriate personnel in a few key management roles. Rathdowney's policy and corporate philosophy is to train the local workforce to gain the necessary skills and experience to assume these key management roles over time.

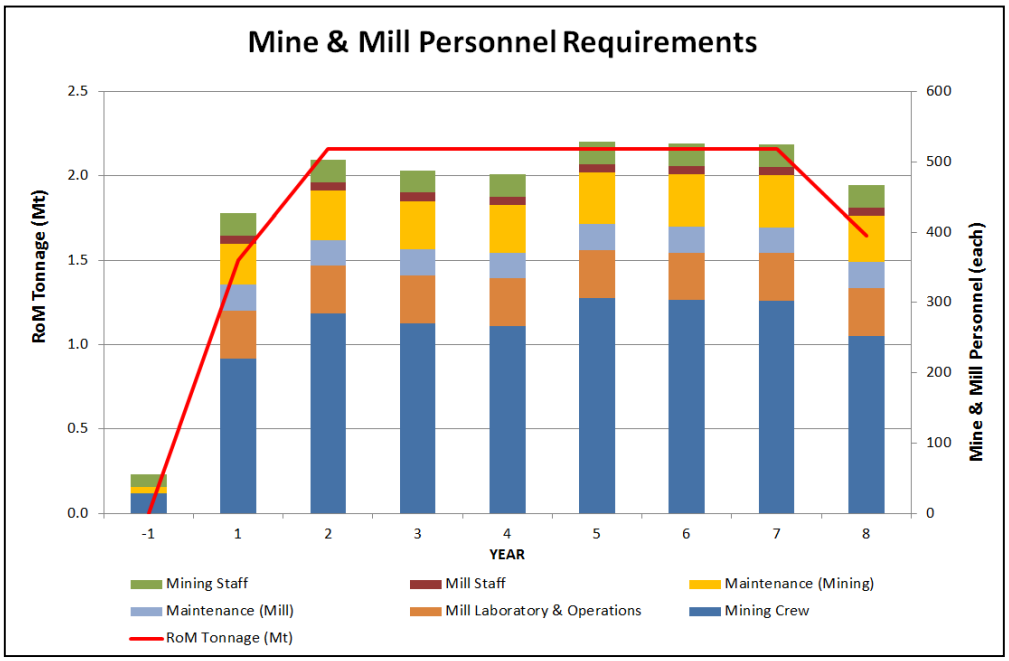


Figure 10: Annual Mine & Mill Personnel Requirements

Ventilation

The ventilation requirement for underground mining considers the mining schedule and diesel equipment estimates on an annual basis.

Following construction of two boxcuts in Year -2, CD1 and TD1 declines are developed from the surface, commencing in Year -1 (minus 1) as shown in Figure 11. TD1 is designated as a fresh air intake for the initial stages of mining and CD1 is designated as an exhaust drive when the underground crusher and conveyor are operational.

The total underground fresh air requirements for a production rate of 2.16 Mtpa are estimated to be 290 m^3/s; this is split between the north and south sections of the mine which can be operated independently with their own ventilation systems. The underground fresh air requirements were estimated to be 0.04 m^3/s per kW of diesel engine capacity based on communications with mining industry contacts in Poland.

Ventilation in R&P mines can cause challenges for minimising air losses into mined out stoping areas. Placement of backfill using a sand fill will potentially reduce losses and improve the efficiency of the ventilation system.

The designed ventilation raises are shown in the south (VRS1 to VRS3) and north (VRN1 to VRN7) sections of the mine design.

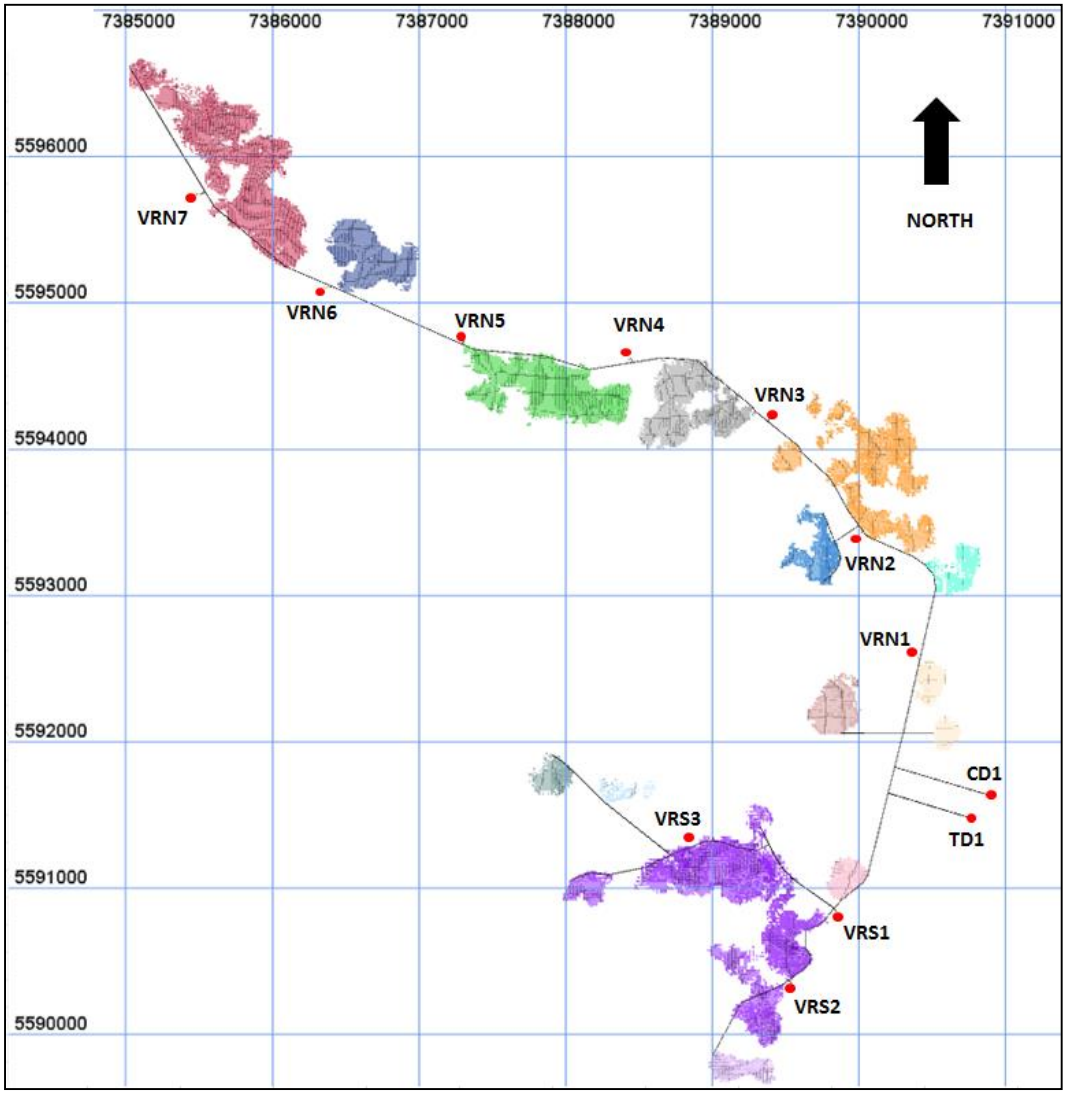


Figure 11: Plan View of Olza main underground development showing planned Ventilation Raises

Mine Dewatering

SRK carried out an independent estimation of the potential inflows of groundwater into the PEA mine design. The resulting estimate should be considered in the context of the current level of the project development. The Project is at PEA stage only with very limited data available. Groundwater modelling and estimation of inflow into the mine proposed in the PEA, is based on experience with other projects, but specifically guided by the conceptual understanding of the Project Olza mine area in comparison with the hydrogeological setting of the nearest operating and past producing and observed inflows at those locations.

SRK met with local hydrogeologist Dr. Czop, AGH University in Krakow to discuss the hydrogeological setting of both the proposed mine and the existing mines in the area, which confirmed that some significant differences exist. Notably, the proposed Project Olza mine is isolated from the Quaternary formation and surface waters by a horizon of clay of Upper Triassic age, locally known as the Keuper Clay Horizon. The exploration borehole database documents that the Keuper clay layer is present beneath the Jurassic formation over most of the Project area. This is a major difference from other mines in the area. It is estimated that a mine at Project Olza would encounter less water inflow. Additional hydrological work will be undertaken as the project advances.

At this stage, active dewatering prior to -mining is not envisaged. Passive systems to divert surface water, before it can enter, away and around facilities will be employed. Underground water will be pumped to surface for use as make up water within the mill or for water quality treatment (if

required), ready for discharge to the environment.

Mineral Inventory and Schedule

The stope optimisation process was performed using a cut-off grade of 3.1% ZnEQ which was then used as a basis for mine scheduling. The available ROM material is summarized for each range of stope thicknesses in Table 6.

Table 6: Mineral Inventory within the PEA mine plan at a cut-off grade of 3.1% ZnEQ

Stope Height	Tonnes (k)	Zn Metal (kt)	Pb Metal (kt)	ZnEQ Metal (kt)	Zinc Grade (%Zn)	Lead Grade (% Pb)	Zinc Grade (%ZnEQ)
2 to 3.5 m	8,620	400	130	540	4.64%	1.51%	6.26%
3.5 to 8 m	6,500	330	100	440	5.08%	1.54%	6.77%
8 m+	2,460	120	30	150	4.88%	1.22%	6.10%
Mineral Inventory	**17,580**	**850**	**260**	**1,120**	**4.84%**	**1.48%**	**6.37%**

Notes:

Contained metal based on 100% recovery

Metal prices used in the ZnEQ are $1.00/lb for Zn and $0.95/lb for Pb.

Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Inventory available for mine scheduling diluted

The mine schedule for Project Olza is presented in Table 7. Table 8 details the production for each mining method over the currently estimated life of mine. With respect to the mine schedule, SRK notes that:

- an annual production rate of 2.16 Mtpa is achievable;
- a head grade above 6% ZnEQ is achievable for the initial five years of the mine life;
- for the currently defined NI 43-101 Mineral Resource in Zones 0, 2, 3, 4 and 5, the proposed mine life is eight years, with two years of pre-production;
- given the expected productivities of the low-profile and conventional mining equipment, SRK expects that there will be more low-profile machines in operation than in the conventional fleet;
- future mine production will require many active zones to be available for production; and
- there does not appear to be a simple correlation between thickness and grade that would necessitate selective, mining of thicker areas.

Table 7: Project Olza Underground Mine Schedule

Description	LOM	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Development Tonnes	**961,601**	190,640	242,613	257,530	79,762	79700	79,577	31778	-	-
Development Meters	**17,188**	3,390	4,310	4,591	1439	1443	1,439	577	-	-
Development Lead Grade (%)	**0.24%**	0.00%	0.36%	0.35%	0.34%	0.19%	0.05%	0.12%	-	-
Development Zinc Grade (%)	**0.64%**	0.06%	1.11%	0.96%	0.45%	0.33%	0.23%	0.04%	-	-
Development Zinc EQ Grade (%)	**0.89%**	0.06%	1.50%	1.33%	0.81%	0.54%	0.28%	0.17%	-	-
Total Production Tonnes	**16,646,573**		1,500,000	2,160,000	2,160,000	2,160,000	2,160,000	2,160,000	2,160,000	1,645,078
Total Production Lead Grade (%)	**1.50%**		1.44%	1.49%	2.29%	2.06%	1.36%	1.07%	1.03%	1.20%
Total Production Zinc Grade (%)	**4.98%**		6.14%	6.04%	5.36%	4.59%	4.10%	3.83%	5.67%	4.35%
Total Production Zinc EQ Grade (%)	**6.58%**		7.66%	7.62%	7.78%	6.78%	5.54%	4.97%	6.76%	5.63%

Table 8: Summary of Production by Mining Method

Description	LOM	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Bulk R&P Mined Tonnes	2,162,347	-	167,945	607,615	540,169	615,329	96,577	134,712	-	-
Bulk R&P Lead Grade (%)	1.44%	-	1.47%	0.87%	1.91%	1.33%	3.37%	1.21%	-	-
Bulk R&P Zinc Grade (%)	4.96%	-	4.84%	5.46%	5.78%	4.26%	4.01%	3.44%	-	-
Bulk R&P Zinc EQ Grade (%ZnEQ)	6.49%	-	6.40%	6.39%	7.81%	5.67%	7.59%	4.72%	-	-
Single R&P Mined Tonnes	6,067,212	-	557,302	683,304	654,741	690,634	888,674	867,857	1,004,880	719,820
Single R&P Lead Grade (%)	1.54%	-	1.58%	1.33%	2.06%	2.66%	1.07%	1.28%	1.39%	1.25%
Single R&P Zinc Grade (%)	5.22%	-	5.91%	6.80%	5.88%	4.84%	4.40%	4.58%	5.51%	4.35%
Single R&P Zinc EQ Grade (%ZnEQ)	6.85%	-	7.59%	8.21%	8.06%	7.66%	5.53%	5.94%	6.98%	5.67%
Low Profile R&P Mined Tonnes	7,875,519	-	774,753	869,081	965,090	854,037	1,174,749	1,157,431	1,155,120	925,258
Low Profile R&P Lead Grade (%)	1.50%	-	1.33%	2.06%	2.65%	2.11%	1.41%	0.90%	0.73%	1.17%
Low Profile R&P Zinc Grade (%)	4.81%	-	6.58%	5.84%	4.77%	4.63%	3.88%	3.31%	5.81%	4.35%
Low Profile R&P Zinc EQ Grade (%ZnEQ)	6.39%	-	7.99%	8.02%	7.58%	6.86%	5.37%	4.27%	6.58%	5.59%

Recovery Methods

Metallurgical testwork to date has shown that Project Olza mineralization is amenable to standard zinc-lead recovery methods. Semi-Autogenous Grinding (SAG) and ball milling followed by standard flotation treatment will produce marketable, low iron, zinc and lead concentrates that would be shipped to smelters.

Based on preliminary metallurgical testwork, mill feed will be ground to P_{80} and subjected first to lead flotation at natural pH with one cleaning stage to produce a lead concentrate grading 70% Pb.

The lead flotation tails would be subjected to zinc flotation at elevated pH with one cleaning stage to produce a zinc concentrate grading 56% Zn. Based on the quality of zinc concentrate produced in the lock cycle test, which were low in iron (<0.5% Fe) and magnesium (<2%), acid leaching of the zinc concentrate has not been included in the process.

Tailings slurry will be discharged to the lined Tailings Management Facility with reclaim water recycled for re-use in the mill process.

A simplified flow sheet of the process used as the basis for the PEA is depicted in Figure 12.

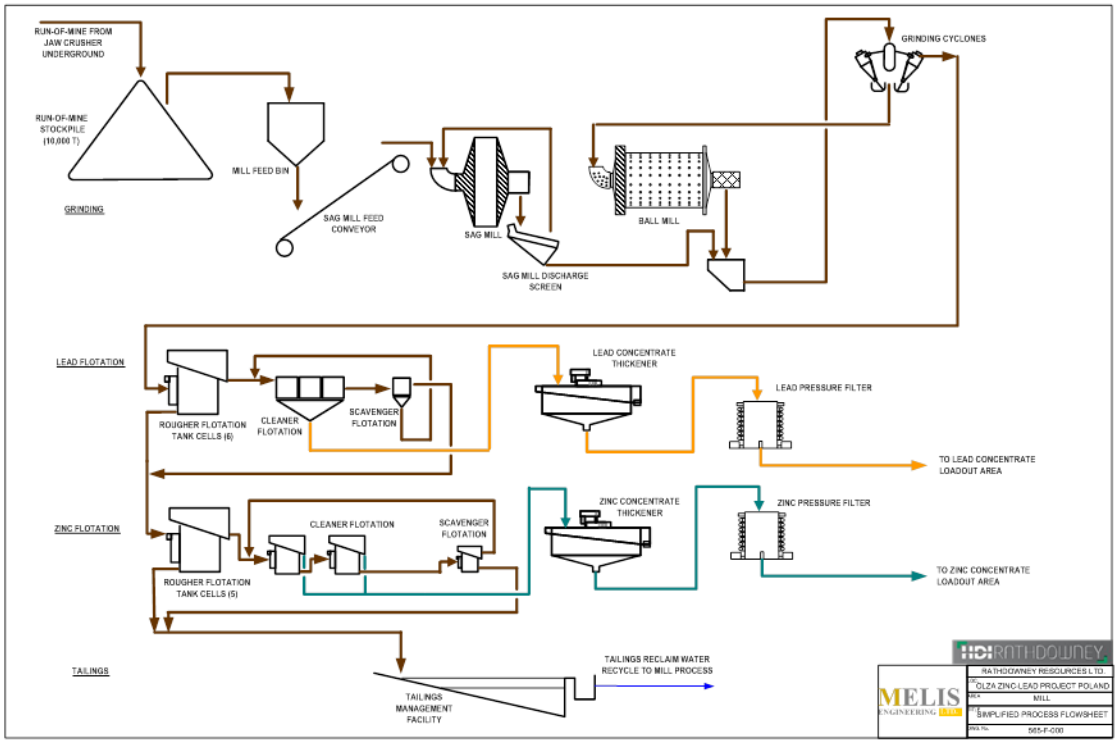


Figure 12: Project Olza Simplified Process Flowsheet

Recoveries and Concentrates

The results of the lock cycle test were adjusted to reflect the PEA run-of-mine grade for the Olza deposit, namely 4.98% Zn and 1.50% Pb. Target recoveries and grades for this anticipated mill feed grade are summarized in Table 9 below.

Table 9: Target Recoveries and Grades (for a Head Grade of 4.98% Zn, 1.50% Pb)

Zinc Concentrate				Lead Concentrate			
Wt	Grade		Recovery %	Wt	Grade		Recovery, %
%	% Zn	% Pb	Zn	%	% Zn	% Pb	Pb
7.46	56	0.6	89.0	1.85	1.1	70	88.5

With a mill throughput of 2.16 Mtpa, it is estimated that concentrate production rates of 164,000 tpa of zinc concentrate and 40,000 tpa of lead concentrate will be achieved.

Pressure filtration of the concentrates will reduce the moisture content to less than 10% prior to shipment to smelters.

Project Infrastructure

General layouts of the following features of the conceptual site for Project Olza are shown in:

- Conceptual Surface Infrastructure and Underground Design layout for Project Olza (Figure 13);
- Site Layout for Olza Surface Infrastructure and Process Facilities (Figure 14); and
- Rail Logistical Options for Transport of Concentrate (Figure 15).

The various layouts have been based on option studies which have been completed in parallel with the PEA.

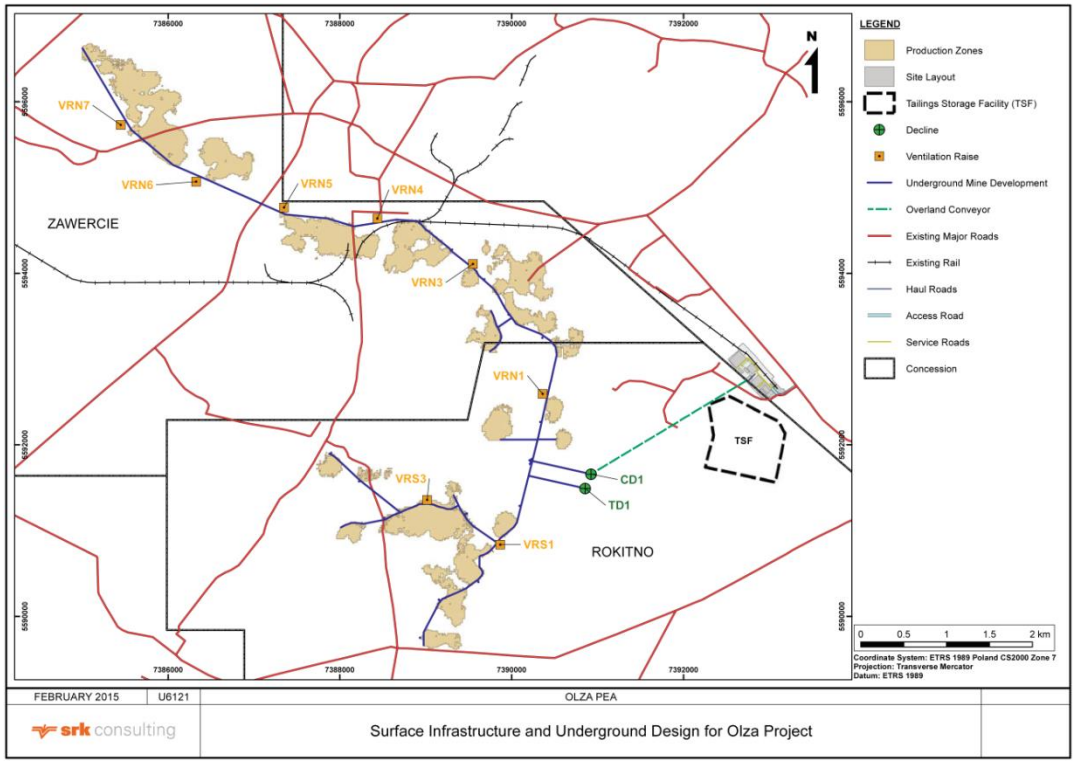


Figure 13: Conceptual Surface Infrastructure and Underground Design for Project Olza

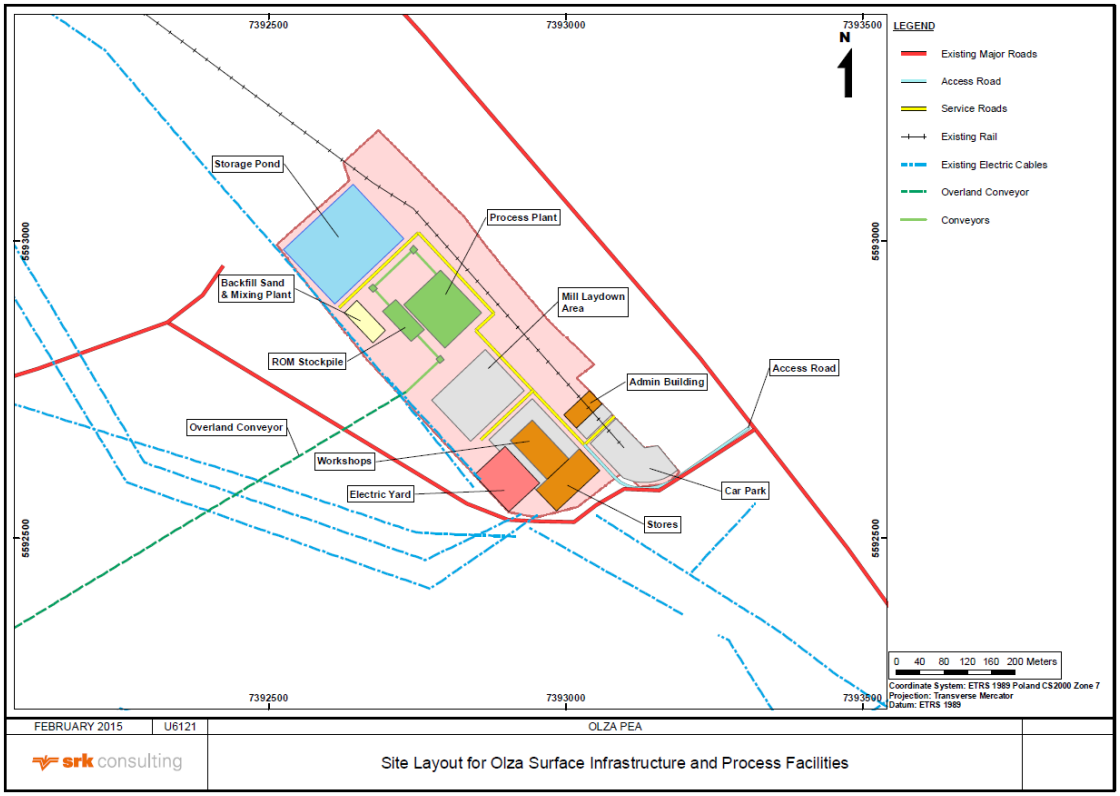


Figure 14: Conceptual Site Layout for Project Olza Surface Infrastructure and Process Facilities

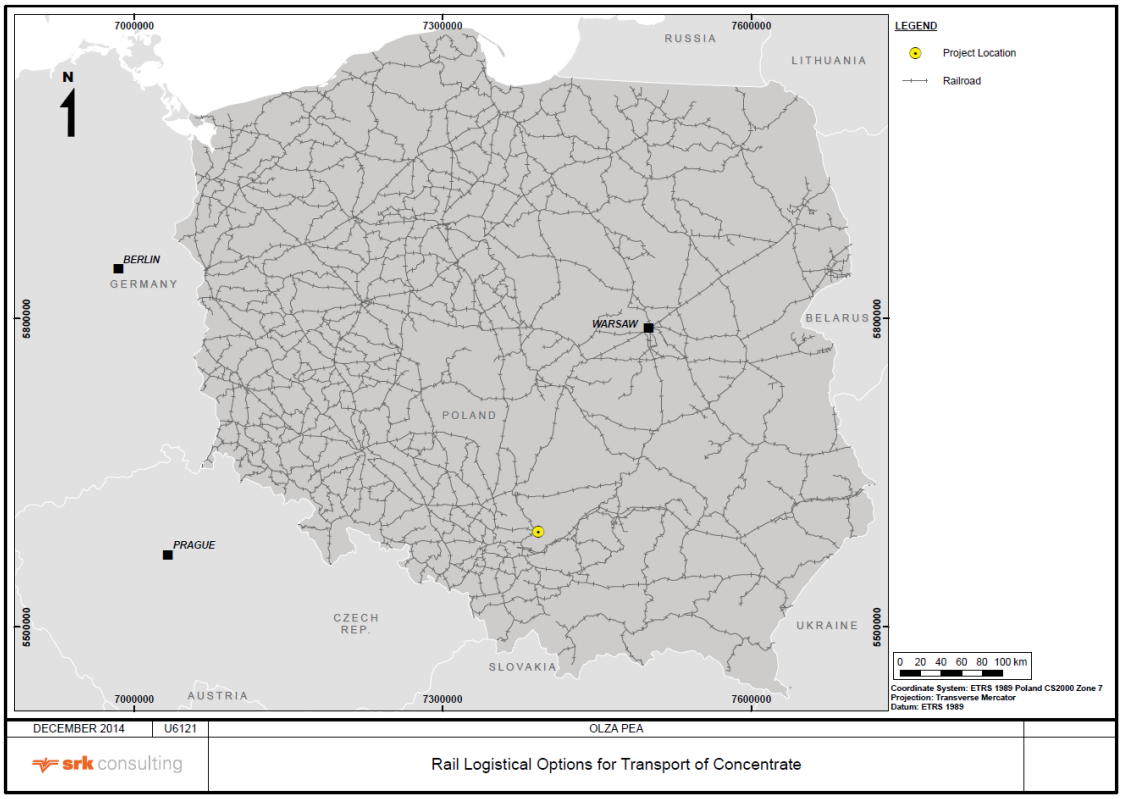


Figure 15: Rail Logistical Options for Transport of Concentrate

Surface Infrastructure

Power Supply

Power for the Project Olza site will be provided from the local grid which has a distribution voltage of 15 kiloVolts (kV) with existing infrastructure close to the proposed site for the processing facilities.

The total installed power for the process plant is 10,710 kiloWatts (kW, includes all standby equipment), the peak load is 8,627 kW and the average operating load is estimated at 6,471 kW.

The underground mine will require installed power for 2,350 kW and is estimated to have a peak load of 1,947 kW and an average operating load of 1,775 kW over the 8-year mine life.

Tailings Management Facility

SRK has considered a stand-alone tailings management facility (TMF) designed to store 11.6 Mm^3 of non-thickened slurry tailings designed to store a volume of 11.6 Mm^3, sufficient for 2.0 Mtpa over the LOM. An upstream construction method was applied for the containment dam raises which will reduce the imported fill requirements and subsequent cost.

The only imported fill that will be required is to create the starter dam which has been sized to allow for the first two years of production. SRK proposes to use hydraulic cell construction for the remaining raises so that the subsequent raises shall be built from the coarse tailings fraction. The final landform shall require three 4 m high lifts which shall be built concurrently with the tailings deposition.

Prior to embankment construction, unsuitable overburden materials located within the limits of the starter dam and ultimate embankment footprint will be removed. To prevent any potential seepage from the TMF, a liner will be installed beneath the entire TMF. Cut-off and diversion ditches will be required around the perimeter of the TMF to divert a small water source which partially runs through the area. As per Best Management Practice, the design of the TMF will incorporate monitoring wells to ensure environmental compliance.

Water Supply and Treatment Facility

It is assumed that any contact waters will require some treatment prior to meeting potential discharge criteria; sulphate concentrations are assumed to meet the discharge criteria. Non-contact waters from dewatering are assumed to be suitable for direct discharge to the receiving environment and so require no treatment. Care must therefore be given to maintaining segregation between contact and non-contact waters in future designs in order to minimise the need for water treatment.

Concentrate Handling Infrastructure

Concentrates from Project Olza will be loaded from a storage shed located at the Process Plant and loaded by conveyor feed onto rail wagons on the rail spur and transported to the smelter facilities.

There are many options open for transportation from Project Olza concentrates by rail to smelters or to Baltic Sea ports for shipping as indicated by the rail infrastructure network in Figure 13.

Underground Infrastructure

Underground Crusher

The ore handling system for Project Olza consists of truck haulage (40 t capacity) from the working stopes which discharge at one of two entry points (north and south) to an underground primary jaw crusher (1,200 x 1,600 mm) at the 270 m level which discharges into a 400 t crushed ore bin. The crusher would be fed from a ROM bin sitting under a grizzly with openings of 800 x 800 mm.

Conveyor to Process Facilities

The underground conveyor is located in a drift of dimensions 5.0mW x 4.0mH which provides sufficient access for light traffic and maintenance of the conveyor. The conveyor width is planned at 1,250 mm commencing at the underground crusher through CD1 and continuing on surface to the ROM stockpile at the Processing Facilities.

Dewatering System

The dewatering system has been assessed at high level for the purposes of providing an early stage approach and cost estimation.

The preliminary estimate of water inflow to Project Olza LOM plan is up to 115 m^3/min (1,917 L/s), which is significant in terms of underground dewatering but less than the excess of 200 m^3/min that is currently being managed at the Pomorzany mine.

For the purposes of the PEA it is assumed that 30% of the pumped mine water will be contact water and therefore require treatment The exploration program, currently in progress, is collecting additional geotechnical and hydrogeological data which will be used to refine the approach to dewatering and water management in future detailed studies.

Based on the layout of mineralized zones and the projected significant water inflows, SRK has taken the approach to locating two separate pump stations, one located in the north (PSN1) and one located in the south (PSS1), as shown in Figure 16.

It is intended that a flood management plan will be produced when the mine design and scheduling is completed in further detail.

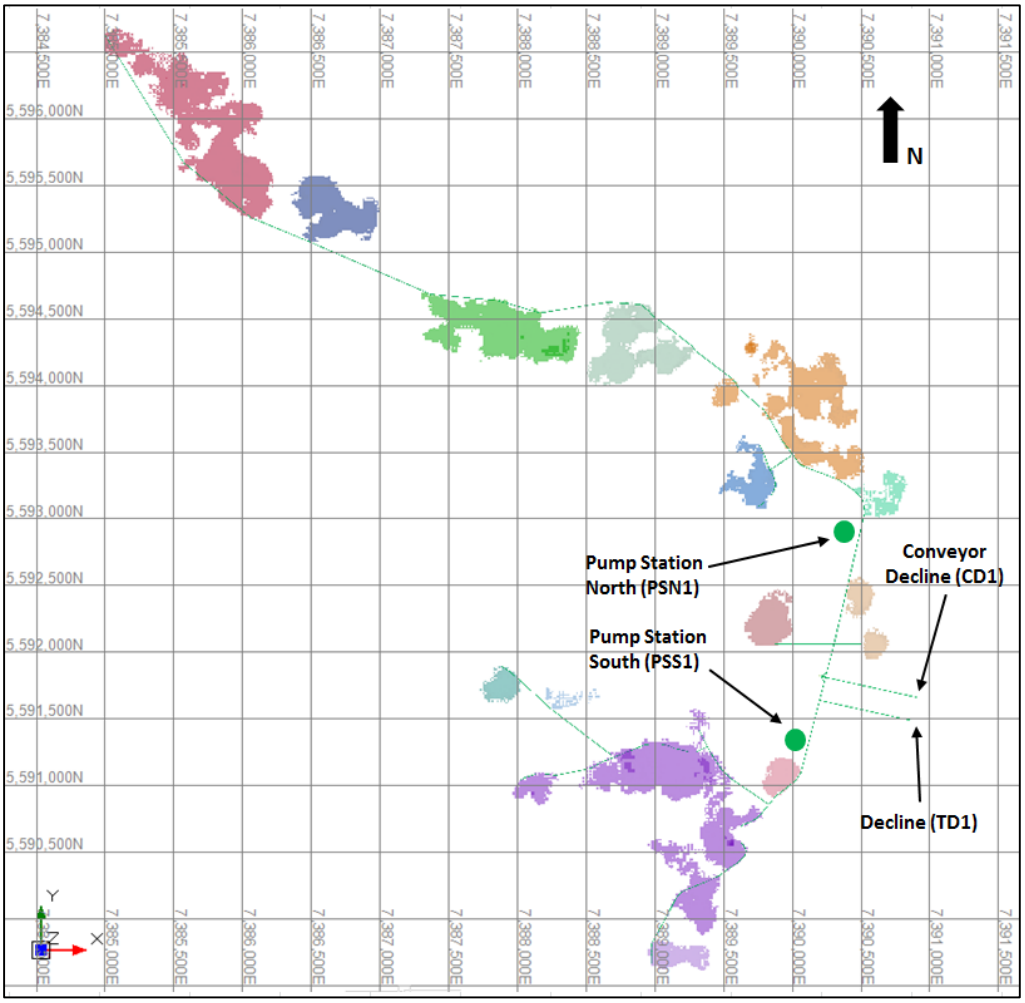


Figure 16: Plan View of UG Design and preliminary location of pumping stations

Other

Other underground infrastructure required will consist of electrical reticulation and substations, equipment service and fuel bays, explosive magazines, refuge chambers and crib room.

Market Studies and Contracts

Limited metallurgical testwork has been undertaken on samples from the Olza mineralization provided by Rathdowney to SGS Mineral Services UK Ltd. Based on testing to date, Project Olza will produce a zinc concentrate assaying approximately 56% Zn. The iron content is expected to be very low at less than 0.5% Fe, which would classify it as a 'low iron' concentrate suitable for treatment in an electrolytic zinc smelter, using roast, leach, electrolytic (RLE) technology.

Project staff has been in contact with a number of smelter groups and these discussions have indicated a level of interest in acquiring the concentrates from Project Olza on long term contracts.

Key analysis of the lead and zinc concentrates, prepared as single composites of the individual concentrates from the six cycles of the lock cycle test, are summarized in Table 10 below.

Table 10: Project Olza Metallurgical Testwork-Key Elemental Analyses of Lock Cycle Test Lead and Zinc Concentrates

Element	Unit	Lead Concentrate	Zinc Concentrate
Cu	%	0.023	0.034
Pb	%	81.4[1]	0.6
Zn	%	0.92	60.1[1]
As	%	0.09	0.009
Cd	%	0.0116	0.5527
Ni	%	0.001	0.001
Co	%	<0.001	<0.001
Mn	%	0.294	0.777
Bi	%	<0.0001	<0.0001
Sb	%	0.0908	0.0043
Hg	%	0.0001	0.0002
Se	%	0.0001	<0.0001
SiO_2	%	0.35	0.59
Al	%	0.05	0.05
Fe	%	1.2	0.57
MgO	%	0.61	1.36
Ca	%	0.85	1.53
Re	%	<0.01	<0.01
P	%	0.01	0.01
Cl	%	0.13	0.11
F	%	<0.01	<0.01
Sn	%	0.02	0.02
In	%	<0.01	<0.01
S(tot)	%	14.9	31.8
Au	g/t	0.04	0.02
Ag	g/t	53	166
Pt	g/t	<0.01	<0.01
Pd	g/t	<0.01	<0.01
Rh	g/t	<0.01	<0.01

Note:

[1] The lead and zinc assays are the actual assays of the lock cycle test concentrate, projected grades used in the PEA are 70% Pb and 56% Zn.

Poland has an active zinc and lead producing industry centered around the smelting and refining complex ZGH Boleslaw, including Miasteczko Slaskie, the only remaining smelting complex in Northern Europe using Imperial Smelting Technology to treat combined lead and zinc concentrates, commonly known as 'bulk' concentrates. The ZGH Boleslaw smelter is located near the town of Bukowno, approximately 25 km south of Project Olza.

Currently the Pomorzany mine supplies the majority of the concentrates to the ZGH Boleslaw smelter. Concentrates from Project Olza are a possible replacement feed for the smelter as the Pomorzany mine nears closure.

Much of the current global surplus of zinc concentrate is held in China. A deficit in production is expected to begin in 2016 and 2017 and continue for several years, as evidenced by the closing of several major zinc concentrate producers, namely Century, Lisheen, Skorpion and Bracemac-McC,which could represent 1.3 to 1.5 Mt of concentrates, annually. The only significant project coming on stream is

Vedanta's Gamsberg, estimated to produce concentrates at a rate of 250 ktpa from 2018-2019.

It is anticipated that this improvement in market conditions and the recovery by European economies may be significant enough to trigger expansion plans by some of the European smelters which would further lift the demand for concentrates in this region.

Delivery of concentrates from Poland to the smelters in Europe, and elsewhere, is easily achieved with good rail and sea connections through the ports of Gdansk and Szczecin to the major ports of Antwerp (Belgium) and Aviles (Spain) or to Boliden's smelters at Odda (Norway) and Kokkola (Finland).

There are no contracts in place or under negotiation relevant to the sale of concentrate from Project Olza, though as previously mentioned, Rathdowney has had discussions indicating a good level of interest in future low iron zinc and lead concentrates from Project Olza.

Environmental and Social Permitting and Management

The Zawiercie and Rokitno Concession areas are located in the Lesser Poland uplands, which form the foothills of the Sudeten and Carpathian mountain ranges to the south. The deposit areas are located close to the source of two large rivers; the Warta and the Czarna Przemsza. The Czarna Przemsza River is considered one of the most polluted rivers of Poland (Alexsander *et al*., 2003) due to discharges from the surrounding industrial area. The Project is located within the upper parts of the groundwater catchment close to a groundwater divide north west of Zawiercie.

Most habitats within the Concession areas have been significantly disturbed by human settlement, agriculture and industrial development. Protected areas within the broader Zawiercie region include the Eagles Nest Landscape Park and the Middle Jurassic Rocks Nature Reserve. No protected areas overlap current development plans; however, the presence of these protected areas will need to be considered during the permitting process. SRK does not consider the presence of these parks to restrict development of Project Olza.

There is a long history of mining and industrial operations in the region. There is evidence of existing environmental contamination in the Olkusz area to the south of the current resource area, particularly of soil and groundwater, associated with historically poor environmental management practices (Atkins, 2011).

Rathdowney has a good understanding of the permitting process in Poland and its requirements. Rathdowney has conducted early scoping of potential environmental and social issues, and identified water and ecology as priorities. Recognising these priorities, Rathdowney has undertaken hydrogeological and ecological data collection since 2013.

The company has obtained publically available secondary source data on environmental and social aspects of the region and commenced baseline data collection in 2013. In addition, Rathdowney has contracted a hydrogeological study that includes quarterly flow monitoring of 24 springs and 40 surface water locations, quarterly water level monitoring of 124 groundwater wells, and six-monthly water quality sampling at 145 surface and groundwater locations. The information is being used to develop a conceptual hydrogeological model to assess the impact of potential underground mining activities on the groundwater environment.

In 2014, Rathdowney commenced an ecological study across an area of 250 km^2 that includes inventories of flora and seven terrestrial and aquatic faunal groups, as well as mapping of the Natura 2000 areas surrounding the deposit.

Publically available secondary data on climate, soil and air quality will also be used by Rathdowney to complement the baseline studies for the EIA.

Rathdowney's exploration activities are guided by their corporate principles for Responsible Mineral Development, which cover health and safety, stakeholder engagement, community development, environment and society, resource use, human rights and labour conditions. This includes working with the communities on development initiatives, and a commitment to using local service providers. To date over USD7M has been spent locally on community development and related goods and services. Environmental and social activities at the Project Olza are the primary responsibility of all team participants, led by the Community Relations and Environment Manager.

Prior to drilling, Rathdowney implements a hydrological survey to identify springs, surface water features and water abstraction wells within 250 m of each drill hole. Water quality and quantity is measured at each location and the potential or historical contamination sources are identified. Noise inventories are conducted at drill rigs and the company operates an emergency response plan, a spill response plan and a local employment policy. Photographic records are taken before disturbance and after rehabilitation of each drill site.

Engagement with landowners during exploration activities has resulted in signed agreements with each owner to agree the terms of access for each drill hole. Drilling activities have been scheduled to minimise disruption to the landowners. Disturbed areas have been reclaimed in conjunction with the landowners and in accordance with Rathdowney's reclamation policy.

Rathdowney has also implemented a well-planned, comprehensive stakeholder engagement strategy at Project Olza based on a Stakeholder Engagement Plan. The Stakeholder Engagement Plan documents the results of a comprehensive stakeholder identification and analysis exercise, summarises activities completed to date, and presents the future engagement activities and communication methods to be used for each stakeholder.

The Project Olza community relations team is based in an open access office in the town of Zawiercie. The team is responsible for planning, conducting and documenting the stakeholder engagement events that include one-to-one meetings, information sessions and open houses, site tours, presentations, production of written materials (such as fact sheets, newsletters) and managing the Project's website. Stakeholder events and project commitments are recorded in a StakeTracker database.

Since 2010, Rathdowney has held over 2,000 meetings with stakeholders, including 600 meetings with landowners to gain access for drilling, 700 meetings with community members including public meetings (35) and door to door visits to gain access to collected data for the hydrological program and 700 meetings with key stakeholders such as regulatory authorities.

Rathdowney has developed constructive relationships with stakeholders through regular updates on progress and information about potential future activities. Key concerns raised by stakeholders to date mainly relate to employment, potential effects on groundwater availability and quality and the health of local communities. Other stakeholder concerns included potential visual effects, the disturbance of rural lifestyles and the delivery of social benefits to the communities closest to the project. SRK has identified several environmental and social aspects which need to be considered during future phases of Project development. Rathdowney is aware of these and is developing a range of approaches to address them and manage the potential effects on and by the Project. With the implementation of appropriate mitigation measures and proactive management by Rathdowney, these do not represent fatal flaws for the project.

Capital and Operating Costs

Summaries of the operating costs and capital expenditure as estimated for the PEA are presented in Table 11 and 12, respectively. SRK considers these to be at an appropriate level of accuracy for a PEA.

Table 11: Life of Mine Operating Cost Summary

Description	Units (per tonne processed)	Value
Mining	**(USD/t)**	**26.88**
Labour	(USD/t)	8.55
Consumables - drill/blast	(USD/t)	8.04
Consumables - load/haul	(USD/t)	5.70
Maintenance	(USD/t)	3.16
Miscellaneous	(USD/t)	1.44
Milling	**(USD/t)**	**11.46**
Labour	(USD/t)	1.33
Consumables	(USD/t)	7.54
Power	(USD/t)	2.05
Maintenance	(USD/t)	0.54
Backfill/TMF	(USD/t)	2.72
Dewatering	(USD/t)	1.11
Water treatment	(USD/t)	1.32
Site G&A	(USD/t)	3.50
Royalties	(USD/t)	0.43
SUB-TOTAL SITE	**(USD/t)**	**47.42**
TC/RC Costs	(USD/t)	22.01
Freight Cost (fob smelter)	(USD/t)	0.46
SUB-TOTAL, off-site	**(USD/t)**	**22.47**
TOTAL OPERATING COSTS	**(USD/t)**	**69.89**

Note:

Totals may not add due to rounding

Table 12: Life of Mine Capital Cost Summary

Description	Units	Initial	Sustaining	Total LOM
Mining	(USDM)	82.3	36.6	**118.9**
Processing	(USDM)	59.7	-	**59.7**
Tailing storage facilities & Water treatment	(USDM)	33.1	14.5	**47.6**
Surface facilities	(USDM)	15.7	-	**15.7**
Contingency	(USDM)	23.1	-	**23.1**
EPCM	(USDM)	13.1	-	**13.1**
Sub-total	**(USDM)**	**227**	**51.1**	**278.1**
Reclamation Bond	(USDM)	6.8	4.5	**11.3**
TOTAL CAPITAL	**(USDM)**	**233.8**	**55.6**	**289.4**

Note:

Thirty percent contingency and fifteen percent EPCM applied to processing

Economic Analysis

Based on the PEA economic analysis, the Project has positive operating margins, a 30% IRR and 2.4 year payback period. The Project life of 8 years, based on the current resource, results in an estimated net cash flow of USD330M and NPV of USD170M.

The PEA is preliminary in nature. It 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.

The commodity prices as applied in the cashflow model are the median of analysts' forecasts in real money terms. For the purposes of the PEA, Zn prices were held constant at USD1.10/lb in the first two years of production and USD1.00/lb long term. Pb prices were held to analysts' forecasts of USD1.09 in the first year, USD1.00/lb in the second year and USD0.95 long term.

These financial metrics indicate that Project Olza has good economic potential and warrants continued development.

Table 13: Economic Summary

Parameter	Units	Value
Pre-Tax Metrics		
Pre-tax cash flow	(USDM)	408
Pre-tax IRR	(%)	36%
Pre-tax NPV (8% discount rate)	(USDM)	221
Post-Tax Metrics		
Net cash flow	(USDM)	330
IRR	(%)	30%
NPV (8% discount rate)	(USDM)	170
Payback	(years)	2.4

Recommendations

Based on the work carried out for the Olza PEA, SRK recommends that advancing Project Olza to a feasibility level of study using this PEA as a basis for the refining and optimising the approach. Further investigation and technical work, as detailed in the following sections, is required to provide sufficient confidence in the Project to advance towards eventual development. The additional work will include continuation of drilling, geotechnical and hydrogeological investigation, environmental baseline work, socioeconomic and engineering studies to support environmental assessment, project development compilation and Project evaluation.

RISK FACTORS

The securities of the Company are highly speculative and subject to a number of risks. A prospective investor should not consider an investment in the Company unless the investor is capable of sustaining an economic loss of the entire investment.

The risk factors associated with the principal business of the Company are discussed below. Briefly, these include the highly speculative nature of the mining industry characterized by the requirement for large capital investment from an early stage and a very small probability of finding economic mineral deposits. In addition to the general risks of mining, there are country-specific risks associated with operating in a foreign country, including currency, political, social, and legal risk.

Due to the nature of the Company's business and the present stage of exploration and development of Project Olza, the Company may be subject to significant risks. Readers should carefully consider all such risks set out in the discussion below. The Company's actual exploration and operating results may be very different from those expected as at the date of this AIF.

Exploration and Mining Risks

Resource exploration, development, and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not reduce, including among other things, unsuccessful efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Very few properties that are explored are ultimately developed into producing mines.

Substantial expenditures are required to establish mineral resources and mineral reserves through drilling, to develop metallurgical processes to extract the metal from mineral resources, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs.

No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, and environmental protection. The exact effect of these

factors cannot accurately be predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

The Company carefully evaluates the political and economic environment in considering any properties for acquisition. There can be no assurance that additional significant restrictions will not be placed on the Company's existing projects or any other properties the Company may acquire or its operations. Such restrictions may have a material adverse effect on the Company's business and its results of operations.

Additional Funding Requirements

Further development of the Company's projects will require additional capital. The Company currently does not have sufficient funds to fully develop the projects it holds. In addition, a positive production decision at these projects or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Company's projects will depend upon the Company's ability to obtain funding through debt or equity financings, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

Preliminary Economic Assessments

Preliminary Economic Assessments are considered to be preliminary in nature. They include Inferred Mineral Resources that are considered too speculative to have the economic considerations applied that would enable their classification as mineral reserves. There is no certainty that the conclusions within a Preliminary Economic Assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Title Risks

Although it is now a member of the European Union, Poland's mining laws relating to the interplay of exploration and exploitation acquired by private foreign investors do not yet have a history of jurisprudence which would give them the clarity and certainty comparable with the North American experience.

The Company believes it has exercised commercially reasonable due diligence in investigating predecessor property titles and the applicable law and that it has taken the appropriate steps in acquiring its rights to explore its Polish properties and believes that it can, if exploration warrants, ultimately exploit them subject to compliance with the complex legal requirements involved in mine construction in any jurisdiction. However, due to Poland's private sector mining laws being less than 20 years old, the Company cannot guarantee that its rights and interests in the properties will not be challenged or subject to some competing third party rights in the future.

Title to the Rokitno, Zawiercie and Chechlo concessions granted to Rathdowney Polska by the Minister of Environment in Poland for exploring and prospecting for zinc and lead ores within the specified license areas, and in respect of each such license an agreement on the establishment of mining usufruct ("right to the fruit of") was entered into between Rathdowney Polska and the State Treasury of Poland. The mining usufruct agreements give Rathdowney Polska the exclusive right to use the specified space for the purpose of prospecting and exploring for lead and zinc ores and they reserve the right of the State Treasury to establish usufruct within the same space for the purpose of conducting activities other than prospecting and exploration of lead and zinc ores, provided such other activities do not legally breach Rathdowney Polska's rights.

Rathdowney Polska had applied for these concessions using certain historical geological information owned by the State Treasury and under Polish mining law, it is possible that a third party might attempt to use the same information to apply for its own concession for mineral exploitation. Rathdowney Polska would oppose any attempt by a third party to obtain a concession for mineral exploitation of lead and zinc on the Rokitno, Zawiercie and Chechlo concessions on the grounds, among other things, that the grant of any such concession, and any activities pursuant thereto, would be a breach of Rathdowney Polska's rights pursuant to its mining usufruct agreements. The concept of what constitutes a legal breach of Rathdowney Polska's rights is not certain. Additionally, there are significant Polish legal requirements and pre-conditions to an application for a mineral exploitation concession, and the Company believes it would be a prohibitively lengthy process before a third party could put itself in a position to apply for a mineral exploitation concession in respect of Rokitno, Zawiercie and Chechlo concessions. Rathdowney Polska has signed an agreement for use of the geological information on its Rokitno and Zawiercie concessions. Additionally, Rathdowney Polska submitted the geological documentation required (in addition to other legal requirements) for the subsequent granting of a concession for mineral exploitation to the Minister of Environment. The agreement provides Rathdowney Polska with the right to use the geological documentation to which the State Treasury of Poland has title for a period of 60 months.

The geological documentation submitted by Rathdowney Polska by the Ministry of the Environment was approved on July 30, 2014, and Rathdowney Polska has the exclusive right to apply for exploitation concession(s) for a period of five years commencing after the expiration of Rathdowney Polska’s prospecting and exploration concessions. Additionally, Rathdowney Polska will have five years priority over third parties to require the State Treasury of Poland to establish the exploitation mining usufruct right(s) for its benefit.

If Rathdowney Polska obtains exploitation concessions within the above five year exclusivity period, Rathdowney Polska will enjoy the exclusive right to use the geological information for the term of the exploitation concession(s) plus two years.

The Company believes that the term of the exploitation usufruct agreement which would be executed between Rathdowney Polska and the State Treasury of Poland should correspond to the period of the exploitation concession(s).

Rathdowney Polska is the only party that can carry out further exploration work as it has the exclusive right to explore for lead and zinc pursuant to its mining usufruct agreements. However, the Company cannot guarantee that Rathdowney Polska's further exploration work and such modified geological information will be sufficient to obtain the benefit of such priority and exclusivity, nor can it guarantee that it could successfully block an attempt by a third party (attempting to use the historical geological information or otherwise) to endeavour to obtain a license for exploitation in respect of the Rokitno and Zawiercie concessions which competes with the Company in whole or in part.

If required, there is also a plan to extend the term of all of the exploration concessions prior to their expiry.

Groups Opposed to Mining May Interfere with the Company's Efforts to Explore and Develop its Properties

Organizations opposed to mining may be active in the locales in which the Company conducts its exploration activities. Although the Company intends to comply with all environmental laws and maintain good relations with local communities, there is still the possibility that those opposed to mining will attempt to interfere with the development of the Company's properties. Such interference could have an impact on the Company's ability to explore and develop its properties in a manner that is most efficient or appropriate, or at all, and any such impact could have a material adverse effect on the Company's

financial condition and the results of its operations. There are no known groups that oppose exploration and development.

Permits and Licenses

The operations of the Company will require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits which may be required to carry out exploration and development of the Company's projects.

No Assurance of Future Profits and Production Revenues

The Company has no history of operations and expects that its losses will continue for the foreseeable future. The Company currently has only a small number of mineral properties. There can be no assurance that the Company will be able to acquire additional properties of sufficient technical merit to represent a compelling investment opportunity. If the Company is unable to acquire additional properties, its entire prospects will rest solely with its current projects and accordingly, the risk of being unable to identify a mineral deposit will be higher than if the Company had additional properties to explore.

There can be no assurance that the Company will ever be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years as needed consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's existing projects and any other properties that the Company may acquire are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, and other factors, many of which are beyond the Company's control.

The Company does not expect to receive revenues from operations in the foreseeable future, if at all. The Company expects to incur losses unless and until such time as the Company's existing projects, and any other properties the Company may acquire, commence commercial production and generate sufficient revenues to fund continuing operations. The development of the Company's existing projects and any other properties the Company may acquire will require the commitment of substantial resources to conduct the time-consuming exploration and development of properties. There can be no assurance that the Company will generate any revenues or achieve profitability. There can be no assurance that the underlying assumed levels of expenses will prove to be accurate.

Market for Securities and Volatility of Share Price

There can be no assurance that an active trading market in the Company's securities will be established or sustained. The market price for the Company's securities is subject to wide fluctuations. Shares of the Company are suitable only for those who can afford to lose their entire investment. Factors such as announcements of exploration results, as well as market conditions in the industry or the economy as a whole, may have a significant adverse impact on the market price of the securities of the Company.

The stock market has from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operating performance of particular companies.

General Economic Conditions

Global financial markets have experienced a sharp increase in volatility during the last few years. Market conditions and unexpected volatility or illiquidity in financial markets may adversely affect the prospects of the Company and the value of the Company's shares and consequently its ability to raise the funds required for the furtherance of its projects.

Changes in Local Legislation or Regulation

The Company's mining and processing operations and exploration activities are subject to extensive laws and regulations governing the protection of the environment, exploration, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, mine and worker safety, protection of endangered and other special status species and other matters. The Company's ability to obtain permits and approvals and to successfully operate in particular communities may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety of the surrounding communities.

Delays in obtaining or failure to obtain government permits and approvals may adversely affect the Company's operations, including its ability to explore or develop properties, commence production or continue operations. Failure to comply with applicable environmental and health and safety laws and regulations may result in injunctions, fines, suspension or revocation of permits and other penalties. The costs and delays associated with compliance with these laws, regulations and permits could prevent the Company from proceeding with the development of a project or the operation or further development of a mine or increase the costs of development or production and may materially adversely affect the Company's business, results of operations or financial condition. The Company may also be held responsible for the costs of addressing contamination at the site of current or former activities or at third party sites. The Company could also be held liable for exposure to hazardous substances. The Polish mining law changed on January 1, 2015. It is not expected that there will be any changes in it that will materially affect the Company's activities.

Environmental Matters

All of the Company's mining operations will be subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Company may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production.

To the extent the Company is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. If the Company is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

All of the Company's exploration, development and any production activities will be subject to regulation under one or more environmental laws and regulations. Many of the regulations will require the Company to obtain permits for its activities. The Company will be required to update and review its permits from time to time, and will be subject to environmental impact analyses and public review processes prior to approval of the additional activities. It is possible that future changes in applicable laws, regulations and permits or changes in their enforcement or regulatory interpretation could have a significant impact on some portion of the Company's business, causing those activities to be economically re-evaluated at that time.

Political Risk

The Company's operations are subject to political risks and government bureaucracy. Poland has, from time to time, experienced economic or social instability. It is difficult to predict the future political, social

and economic direction of the countries in which the Company operates, and the impact government decisions or social and economic circumstances may have on the Company's business. Any political, social or economic instability in the countries in which the Company currently operates could have a material and adverse effect on the Company's business and results of operations.

While the government of Poland has modernized its mining legislation and is generally considered by the Company to be mining-friendly, no assurances can be provided that this will continue in the future. The possibility that current or future governments may adopt substantially different policies or take arbitrary action which might halt exploration, production, or extend to the nationalization of private assets or the cancellation of contracts, the cancellation of mining and exploration rights and/or changes in taxation treatment cannot be ruled out. The occurrence of any of these events could have a material and adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The Company does not carry political risk insurance.

Infrastructure Risk

The operations of the Company are carried out in geographical areas which may lack adequate infrastructure and are subject to various other risk factors. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Lack of such infrastructure or unusual or infrequent weather phenomena, sabotage, terrorism, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or of companies providing services to the Company or they may have significant shareholdings in other companies. Situations may arise where the directors and/or officers of the Company may be in competition with the Company. Any conflicts of interest will be subject to and governed by the law applicable to directors' and officers' conflicts of interest. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Currency Risk

The Company's expected future revenue, if any, will be in US dollars or in Euros while most of its expenditures are in local currencies. Also, future capital raised by the Company from public offerings of securities will likely be in Canadian dollars. As a result of the use of these different currencies, the Company is subject to the risk of foreign currency fluctuations, which are affected by a number of factors that are beyond the control of the Company.

These factors include economic conditions in the relevant country and elsewhere and the outlook for interest rates, inflation and other economic factors. Foreign currency fluctuations may materially affect the Company's financial position and operating results. Currently, the Company has not hedged against fluctuations in exchange rates; however, it may do so at a later date.

Payment of Dividends Unlikely

There is no assurance that the Company will pay dividends on its shares in the near future or at all. The Company will likely require all its funds to further the development of its business for the foreseeable future.

Lack of Revenue and a History of Operating Losses

The Company does not have any operational history or earnings and the Company has incurred net losses and negative cash flow from its operations since its incorporation. Although management of the Company hopes to eventually generate revenues, significant operating losses are to be anticipated for at least the next several years and possibly longer. To the extent that such expenses do not result in the creation of appropriate revenues, the Company's business may be materially adversely affected. It is not possible to forecast how the business of the Company will develop.

Reliance on Key Personnel

The Company is dependent on the continued services of its senior management team, and its ability to retain other key personnel. The loss of such key personnel could have a material adverse effect on the Company. There can be no assurance that any of the Company's employees will remain with the Company or that, in the future, the employees will not organize competitive businesses or accept employment with companies competitive with the Company.

Furthermore, as part of the Company's growth strategy, it must continue to hire highly qualified individuals. There can be no assurance that the Company will be able to attract, train or retain qualified personnel in the future, which would adversely affect its business.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid any dividends on any of its shares since incorporation and does not presently have any intention of paying dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares. As at the date of this AIF, **118,083,881** common shares were issued and outstanding as fully paid and non-assessable.

All of the authorized common shares rank equally as to dividends, voting powers (one vote per common share) and participation in assets upon dissolution or winding-up. No common shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights attached to the common shares and no provisions for redemption, retraction, or purchase for cancellation, surrender, or sinking or purchase funds, or provision permitting or restricting the issuance of additional securities, or requiring a security holder to contribute additional capital. Provisions as to the modification, amendment or variation of such rights or provisions are contained in the BCBCA and the articles of the Corporation. Generally, substantive changes to the share capital require the approval of the shareholders by special resolution (at least two-thirds of the votes cast by shareholders present in person or by proxy).

MARKET FOR SECURITIES

Trading Price and Volume

The Company's common shares are listed on the TSX-V under the trading symbol "RTH". The following tables set forth information relating to the trading of the common shares on the TSX-V for the financial year ended December 31, 2014:

	TSX-V Price Range ($)		
Month	High	Low	Total Volume
January 2014	0.305	0.250	838,478
February 2014	0.320	0.250	562,050
March 2014	0.280	0.230	892,540
April 2014	0.250	0.210	1,299,868
May 2014	0.250	0.210	381,291
June 2014	0.370	0.200	1,671,470
July 2014	0.350	0.320	367,050
August 2014	0.400	0.270	571,875
September 2014	0.340	0.235	649,960
October 2014	0.270	0.195	933,000
November 2014	0.245	0.175	944,726
December 2014	0.330	0.230	679,700

Prior Sales

The following table sets out the securities issued by the Company during its financial year ended December 31, 2014:

Date of Issuance	Number of Securities Issued	Exercise Price
April 9, 2014	1,505,000 Stock Options (1) 1,481,625 Stock Options (2)	$0.25 $0.25
July 8, 2014	199,800 Stock Options (3)	$1.00
October 2, 2014	200,000 Stock Options(4) 180,000 Stock Options(4)	$0.32 $0.27
October 22, 2014	50,000 Stock Options(2)	$0.25

(1) Expire April 9, 2019

(2) Expire April 9, 2017

(3) Expire March 15, 2016

(4) Expire October 2, 2019

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth information regarding the Company's directors and executive officers. The term of office for the Directors expires at the Company's next annual general meeting.

Name of Director; and Province and Country of Residence	Position with the Company	Period as a Director or Officer of the Company
Lena K. Brommeland British Columbia, Canada	Director	Since November 2011
Rene G. Carrier [(1)(2)(3)] British Columbia, Canada	Director	Since March 2011
David J. Copeland British Columbia, Canada	Director and Chairman of the Board	Since December 2011
T. Barry Coughlan [(1)(2)(3)] British Columbia, Canada	Director	Since March 2011
Scott D. Cousens [(2)] British Columbia, Canada	Director	Since June 2011
George R. Ireland Massachusetts, U.S.A.	Director	Since July 2014
Robert Konski Warsaw, Poland	President, Chief Executive Officer, and Director	Since May 2014
Michael H. Nolan [(1)] Leinster, Ireland	Director	Since March 2011
Myron Manternach[(3)] New York, U.S.A.	Director	Since July 2014
Stephen Scott British Columbia, Canada	Director	Since May 2015
Andrew Ing British Columbia, Canada	Chief Financial Officer	Since May 2015
Trevor Thomas British Columbia, Canada	Secretary	Since March 2011

Notes:

1. Member of the Audit Committee
2. Member of the Compensation Committee
3. Member of the Nominating and Governance Committee

Although the directors oversee the management of the Company's affairs, a cost sharing arrangement exists between a number of the public resource companies on which several of the directors serve pursuant to a corporate services agreement with HDSI dated July 2, 2010. HDSI provides executive, engineering, geological and administrative services to, and incurs costs on behalf of, these companies and allocates the full costs to them.

All officers have a term of office lasting until their removal or replacement by the Board of Directors. However, there are certain services agreements in place with respect to these persons which will affect any termination of services. The Chief Financial Officer and Secretary are currently employed by HDSI and provide services to the Company under the terms of the HDSI corporate services agreement.

The principal occupations of each of the Company's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

Biographical Information

The following information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

Lena K. Brommeland – Director

Ms. Brommeland has a BSc in geology and more than 20 years of experience in mineral project evaluation and on-site management of large-scale mineral projects, including the Pebble and Niblack projects both located in Alaska and the Prosperity project in British Columbia. Ms. Brommeland is Executive Vice President of Project Services with HDI where she manages on-site drill programs, co-ordinates environmental planning and permitting, and develops community relations activities for exploration and feasibility-level projects associated to the HDI group of companies. A longstanding member with the Association for Mineral Exploration BC, Ms. Brommeland dedicates a substantial amount of time to industry outreach and development and is a past Chair of the organization.

David J. Copeland – Chairman and Director

Mr. Copeland is a professional engineer and mining executive with over 30 years of experience in a variety of capacities in mine exploration, discovery and development throughout the South Pacific, Africa, South America and North America. He has extensive industry experience and is a director of several public companies. Mr. Copeland has been a key contributor to projects, providing expertise and leadership on the Mt. Milligan Copper-Gold Project in BC, the South Kemess mine in BC, the Hollister development project in Nevada, USA, the Burnstone mine in South Africa and the Xietongmen project in Tibet, China. As Director of Project Development at Hunter Dickinson Inc. ("HDI"), he directs and co-ordinates advanced technical programs of companies for which its subsidiary, Hunter Dickinson Services Inc., provides services.

Rene G. Carrier – Director

Mr. Carrier is a past Vice President of Pacific International Securities Inc. where he worked for ten years until 1991. Since that time he has been President of Euro-American Capital Corporation, a private company which specializes in restructuring, administration and raising venture capital funds for junior mining companies.

Scott D. Cousens – Director

Mr. Cousens provides management and financial services to a number of publicly traded companies associated with HDI. His focus for the past 20 years has been the development of relationships within the international investment community. Substantial financings and subsequent corporate success have

established strong ties with North American, European and Middle Eastern investors. Mr. Cousens is also the Director of Capital Finance for HDI.

George G. Ireland – Director

Mr. Ireland has over 30 years of experience in the resource sectors in positions ranging from field geologist to banking and venture capital. He founded Geologic Resource Partners in 2004 and serves as Chief Investment Officer and CEO. From 2000 to 2004, Mr. Ireland was General Partner of Ring Partners, LP, an investment partnership which has been merged into GRP. Mr. Ireland also serves on the boards of Amerigo Resources Ltd., Kiska Metals Corporation, Taseko Mines Limited and Merrill & Ring Inc., a private timber company in the United States. He is a graduate of the Phillips Academy and the School of Natural Resources at the University of Michigan (BS degree).

T. Barry Coughlan – Director

Mr. Coughlan is a self-employed businessman and financier who has been involved in the financing of publicly traded companies for over 25 years. His principal occupation is President and Director of TBC Ventures Ltd., a private investment company.

Robert Konski – President, Chief Executive Officer, Director

Mr. Konski holds a B.A. in International Relations from Tufts University, and an M.P.A. from the JFK School of Government at Harvard University, and has over 25 years of experience as an executive and a strategic advisor to management of public and private companies and government in Poland. Mr. Konski has overseen energy and infrastructure projects as well as diverse financial services, including restructuring activities. In the five years prior to joining Rathdowney, he was a chairman of Pekaes (a public company listed on the Warsaw Stock Exchange). He also was a Management Board Advisor to several key firms including Polska Grupa Energetyczna, Poland's largest public utility, and Kulczyk Holding, one of the largest privately held holdings in Central Europe with assets in economic sectors such as energy, brewing, automotive, oil and gas exploration, transport and logistics and real estate. From 2002 to 2008, he was the Country Manager and then the Regional Director of Euronet Worldwide Inc., a provider of secure electronic financial transaction solutions to banks, where he was able to make Poland the single largest market and revenue operator for the company. Earlier in his career, he was the US Treasury Advisor to the Minister of Finance, where he advised on financial sector restructuring and London Club negotiations and relations with international financial institutions.

Myron Manternach – Director

Mr. Manternach has 20 years of experience in corporate finance, mergers and acquisitions and capital management. He is President of Castle Grove Capital, LLC, a consulting firm that provides strategic and financial advice to investment funds and portfolio companies in the mining and metals and technology sectors. Mr. Manternach serves as a senior research analyst to the investment committee of Geologic Resource Partners, LLC, and also as a Senior Advisor to ACA Associates. Mr. Manternach is a director of Wellgreen Platinum Ltd. and Lithium Americas Corp. He holds an MBA from the Wharton School of Business at the University of Pennsylvania and a BSc degree in Electrical Engineering with Distinction from Iowa State University.

Michael H. Nolan – Director

Mr. Nolan is a Chartered Accountant and has worked in the junior resource sector, in various capacities, for 20 years. He has gained industry knowledge through founding, investment in and serving on the boards of a number of public exploration and mining companies, including Minmet plc, Tiger Resource Finance plc, Lapp Plats plc, MeDaVinci plc and GoldQuest Mining Corp. In 2009 he was involved in the formation of Cove Energy plc ("Cove") which traded on AIM in London until it was acquired in 2012. He is currently Director and CFO of Discover Exploration Limited, a company involved in offshore oil and gas exploration and production and with interests in East Africa and New Zealand.

Stephen Scott – Director

Mr. Scott is a mining executive with more than twenty five years global industry experience in all mining industry sectors from junior explorers to major miners. Mr. Scott is currently the President and CEO of Minenet Advisors, a capital market and management advisory consultancy providing a broad range of services and advice to clients including junior explorers through the major miners.

Andrew Ing – Chief Financial Officer

Mr. Ing holds Chartered Accountant and Corporate Finance designations, as well as specialized designations in corporate governance, internal audit and the strategic management of information technology. He has more than 10 years of experience in the natural resources sector, focusing on corporate development activities with an emphasis on capital finance, business agreement negotiations and risk management. He previously held positions with professional services firms PricewaterhouseCoopers and Deloitte Touche Tohmatsu, providing advisory services to mining companies in Asia, Europe and the Americas.

Trevor R. Thomas – Corporate Secretary

Mr. Thomas is corporate secretary of Hunter Dickinson Inc. and many of its affiliated companies. He has practiced in the areas of corporate commercial, corporate finance, securities and mining law since 1995, both in private practice environment as well as in-house positions and is currently in-house legal counsel for HDSI. Prior to joining HDSI, he served as in-house legal counsel with Placer Dome Inc.

As of the date of this AIF, our directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 29,705,358 common shares, representing approximately 25.1% of the issued common shares.

Other Reporting Issuer Experience

The following tables set out information for the directors and officers of the Company that are directors, of other reporting issuers. In the following tables, "TSX" means Toronto Stock Exchange, "TSX-V" means TSX Venture Exchange Inc., "OTCBB" means the OTC Bulletin Board, "NYSE-MKT" means the NYSE MKT LLC, "WSE" means Warsaw Stock Exchange and "AIM" means Alternative Investment Market, London Stock Exchange.

Lena Brommeland	Heatherdale Resources Ltd. (TSXV)
David J. Copeland	Heatherdale Resources Ltd. (TSXV)
Rene G. Carrier	Amarc Resources Ltd. (TSXV, OTCBB) Heatherdale Resources Ltd. (TSXV)

T. Barry Coughlan	Amarc Resources Ltd. (TSXV, OTCBB) Creso Exploration Inc. (TSXV) Northcliff Resources Ltd. (TSX) Quadro Resources Ltd. (TSX) Taseko Mines Limited (TSX, NYSE MKT) Vatic Ventures Corp. (TSX-V) Mineral Mountain Resources Ltd. (TSXV)
Scott D. Cousens	Amarc Resources Ltd. (TSXV, OTCBB) Heatherdale Resources Ltd. (TSXV) Northern Dynasty Minerals Ltd. (TSX, NYSE MKT) Quartz Mountain Resources Ltd. (TSXV, OTCBB) Northcliff Resources Ltd. (TSX)
George Ireland	Great Western Mineral Group Ltd. (TSXV) Africo Resources Ltd. (TSX) Amerigo Resources Ltd. (TSX) Kiska Metals Corp. (TSXV) Taseko Mines Limited (TSX, NYSE)
Robert Konski	KRUK S.A. (Warsaw Stock Exchange)
Myron Manternach	Lithium Americas Corp. (TSX) Wellgreen Platinum Ltd. (TSX)
Michael H. Nolan	Fastnet Oil and Gas plc (AIM) Orogen Gold plc (AIM) Tiger Resource Finance plc (AIM)
Stephen Scott	Reservoir Minerals Inc. (TSXV)

Andrew Ing and Trevor Thomas are not directors of any public companies. Mr. Thomas is corporate secretary of a number of other public companies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the

capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed below, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

As publicly disclosed at www.sedar.com, Great Basin Gold Ltd. ("GBG"), a company on whose board Mr. Coughlan served became insolvent and was liquidated commencing in 2012. GBG was developing two gold projects using substantial debt financing when gold prices began their precipitous fall. Mr. Coughlan resigned in June 2013.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Several directors of the Company also serve as directors of one or more other resource companies involved in mineral exploration and/or development. It may occur from time to time that as a consequence of his activity in the mineral industry and serving on such other boards that a director may become aware of potential resource property opportunities which are of interest to more than one of the companies on whose boards that person serves. Furthermore, it is possible that the directors of the Company and the directors of one or more such other companies may also agree to allow joint participation on the Company's properties or the properties of that other company. Accordingly, situations may arise in the ordinary course that involve a director in an actual or potential conflict of interest as well as issues in connection with the general obligation of a director to make corporate opportunities available to the company on which the director serves. In all such events, any director who might have a disclosable financial interest in a contract or transaction by virtue of office, employment or security holdings or other such interest in another company or in a property interest under consideration by the board of directors of the Company, would be obliged to abstain from voting as a Rathdowney director in respect of any transaction involving that other company(s) or in respect of any property in which an interest is held by him. The directors will use their best business judgment to help avoid situations where conflicts or corporate opportunity issues might arise and they must at all times fulfill their duties to act honestly and in the best interests of Rathdowney.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or senior officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transactions of the Company other than as set out herein.

Hunter Dickinson Services Inc. ("HDSI"), a private company, has power to participate in the financial or operating policies of the Company. Several directors and other key management personnel of HDSI, who are close business associates, are also key management personnel of the Company. Pursuant to a services agreement between the Company and HDSI dated July 2, 2010, the Company receives geological, engineering, corporate development, administrative, management and shareholder communication services from HDSI. HDSI also incurs third party costs on behalf of the Company. Costs for services rendered by HDSI to the Company and the reimbursement of third party costs to HDSI during the year were $2,249,471 (2013 – $2,223,912) and $312,216 (2013 – $198,431), respectively. Set out below is a breakdown of the services provided. As at December 31, 2014, the amount payable to HDSI was $133,053 (December 31, 2013 – receivable amount to $45,340).

	Year ended December 31	
Services received from HDSI based on annually set rates	2014	2013
Technical, geological and engineering services	$ 1,033,673	$ 1,001,852
Corporate communication, investor relations, administrative and management Services	1,095,798	1,100,960
Information technology services	120,000	121,100
	$ 2,249,471	$ 2,223,912
Reimbursement of third party expenses incurred on behalf of the Company	$ 312,216	$ 198,431

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not subject to any legal proceedings or regulatory actions.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

None of the directors or senior officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any material transactions of the Company other than as set out herein.

HDSI is a private company with certain directors in common with the Company and which provides geological, corporate development, administrative and management services to, and incurs third party costs on behalf of the Company. During 2012, the Company also made a material investment in Heatherdale, which has certain directors in common with the Company.

George R. Ireland, a director of the Company, acquired control or direction of 23,200,000 common shares of the Company through Geologic Resource Partners LLC, representing 19.6% of the issued and outstanding common shares of the Company. Mr. Ireland is Chief Investment Officer and Managing Member of Geologic Resource Partners LLC. The common shares were purchased by Geologic

Resources Partner LLC in connection with the Company's private placement which closed in August 2014. The common shares were issued at a price of $0.25 per common share.

TRANSFER AGENTS AND REGISTRAR

The Company's transfer agent and registrar is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

The only material contracts are those contracts entered into in the ordinary course of business

INTERESTS OF EXPERTS

Christopher Bray, MAusIMM(CP), Lucy Roberts, MAusIMM(CP), Christopher Bonson, EurGeol, P.Geo., Houcyne El Idrysy, CGeol, FGS, and Kris Czajewski, P.Eng, of SRK Consulting (UK) Ltd and Lawrence Melis, P.Eng, of Melis Engineering Ltd., are each named as having prepared a report in the AIF either directly or in a document incorporated by reference and whose profession or business gives authority to the report made by him.

The Company's auditors KPMG LLP have issued an auditor's report for the Company's financial statements for the year ended December 31, 2014.

To the Company's knowledge, none of named experts (or partners and associates thereof) or individuals holds, directly or indirectly, any of the Company's issued and outstanding common shares.

ADDITIONAL INFORMATION

Additional information relating to the Company, including additional financial information contained in the audited financial statements and the Management Discussion and Analysis for the year ended December 31, 2014 and directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans contained in the Company's Information Circular dated May 12, 2015, can be found on SEDAR at www.sedar.com.