

## Project Olza PEA Highlights

| Project Economics             |               | Project Costs               |                      |
|-------------------------------|---------------|-----------------------------|----------------------|
| Free Cash Flow                | \$330 million | Initial Capital             | \$227 million        |
| Net Present Value (NPV)       | \$170 million | Sustaining Capital          | \$51 million         |
| Internal Rate of Return (IRR) | 30%           | Total On-Site <sup>1</sup>  | \$47.42/tonne milled |
| Payback                       | 2.4 years     | Total Off-Site <sup>2</sup> | \$15.48/tonne milled |
|                               |               | Total Operating             | \$62.90/tonne milled |

| Operating Cost <sup>1</sup>               | (US\$/t)     |
|---|--------------|
| • Mining                                  | 26.88        |
| • Milling                                 | 11.46        |
| • Environmental/Tailings Storage Facility | 5.15         |
| • Site General & Administration           | 3.93         |
| <b>TOTAL ON-SITE COSTS</b>                | <b>47.42</b> |

  

| Refining & Smelting Cost <sup>1</sup> | (US\$/t)     |
|---------------------------------------|--------------|
| • TC / RC <sup>2</sup>                | 12.01        |
| • Freight                             | 3.47         |
| <b>TOTAL OFF-SITE COSTS</b>           | <b>15.48</b> |

Total cost to produce metal<sup>1</sup>

**US\$0.57/lb Zn**

or

**US\$62.90/t**

processed

**\$US 0.47/LB ZINC BY-PRODUCT BASIS**

The PEA is preliminary in nature and includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the PEA will be realized.

The PEA uses 8% discount rate and median of consensus forecast prices of Zn \$1.00-1.10/lb and Pb \$0.95-1.00/lb. All values in US dollars and metric units. Totals may not add due to rounding.

- <sup>1</sup> Total On-Site includes mining, milling and infrastructure costs incurred to produce concentrate, as per the PEA.
- <sup>2</sup> Total Off-Site includes Treatment Charges/Recovery Charges ("TC/RC"), transportation, handling and freight costs as per the PEA; TCRC's as per Q1 2017 market costing projections (\$120/t for zinc; \$120/t for lead).

Further details are available in Rathdowney's April 20, 2015 news release and 2015 technical report, both of which are available on the Company website [www.rathdowneyresources.com](http://www.rathdowneyresources.com) and the Company's profile at [www.sedar.com](http://www.sedar.com).