

RATHDOWNEY PROVIDES PROJECT UPDATE, COMPLETES \$6.9 MILLION PRIVATE PLACEMENT TO ADVANCE PROJECT OLZA

March 1, 2017, Vancouver, BC – Rathdowney Resources Ltd. (“Rathdowney” or the “Company”) (TSXV: RTH) is pleased to provide an update on activities on its flagship Olza zinc-lead-silver project in Poland, and to report that it has completed a private placement to assist with advancing the project. Rathdowney has issued a total of 36,313,345 units (the “Units”) of the Company’s capital, for aggregate proceeds (including two previously announced tranches) of approximately \$6.9 million.

Proceeds of the financing are planned to be directed toward further advancement of Polish permitting activities and to refine engineering work to progress the Company’s Olza zinc-lead-silver project toward the Polish feasibility (PZZ) as well as for general corporate working capital purposes.

Project Olza

Project Olza is located in the Upper Silesian Mining District of southwestern Poland, a world-class region of Mississippi Valley-type (“MVT”) zinc-lead deposits. According to the USGS, the Upper Silesian District has the most important accumulations of mineral resources of any of the world’s MVT districts, with an estimated endowment of some 731 million tonnes¹. The Pomorzany Mine, located 17 km south, with the same host rocks and mineralogy, has produced in excess of 90 million tonnes² of ore at comparable grades to Olza.

The Polish State Geological Institute completed a historical estimate in 1990 of some 77 million tonnes grading 6.15% Zn+Pb³ in the immediate Project Olza area, following drill programs during the 1950s to 1980s. The estimate, reported in the C1/C2 categories under the Polish resource classification system (very similar to the Soviet system in use at that time). A Qualified Person has not done sufficient work to classify the estimate as current mineral resources and the Company is not treating it as current.

Rathdowney’s drilling from 2011 to 2014 has confirmed Inferred Mineral Resources of 24.4 million tonnes grading 7.02% Zn+Pb at a 2.0% Zn cut-off⁴ in a portion of the above area.

A Preliminary Economic Assessment (“PEA”, see April 20, 2015 news release) based on the 24.4 million tonnes in the 2014 resource shows strong potential financial returns, including an after-tax Internal Rate of Return of 30% and payback of 2.4 years. Development, as described in the PEA, would include a 6,000 tpd low-cost, bulk-tonnage underground operation and conventional treatment facility, producing two clean, low-iron, marketable concentrates⁵, a scenario similar to the long-life Pomorzany mine. The Project Olza development would utilize existing, well-developed infrastructure in the district, including on-site rail that provides direct access to European smelters, ports and markets, as well as roads, power facilities. Skilled technical trade workers and other contractors are also available in the region. All in, on-site operating costs are estimated to be US\$47.42/tonne, and when provisions for shipping,

¹ Taylor, R.D., Leach, D.L., Bradley, D.C. & Pisarevsky, S.A., 2009, Compilation of Mineral Resource Data for Mississippi Valley-Type & Clastic Dominated Sediment-Hosted Lead-Zinc Deposits, U.S.G.S. Open File Report 2009-1297, 42 p.

² www.geoportal.pl

³ Historical estimate (1990) Zawiercie I & II deposits, in 1992 Polish State Geological Institute report.

⁴ Individual grades are 5.53% Zn and 1.49% Pb.

⁵ For additional details, see Rathdowney’s December 31, 2014 Preliminary Economic Assessment Technical Report which is filed at www.sedar.com. 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. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.



handling and other off-site treatment (TC/RC) are included, the PEA estimates an all-in cost to produce a pound of zinc of US\$0.63 per pound.

Since completion of the PEA, Rathdowney has completed additional drilling to collect geotechnical data for continued planning of underground infrastructure and to further test the mineral resources (see news releases in 2014 and 2015). This work was very successful, indicating excellent potential to expand the mineral resources and extend the mine life from that project in the 2015 PEA.

Project Status

Project Olza is located in a proven mining district with excellent infrastructure and access to smelters and markets. Programs completed from 2011 to present have met all terms of its exploration concessions, giving the Company the sole right to advance Olza towards an exploitation concession. The 2015 PEA is forming the basis of Rathdowney's Deposit Development Plan. The Company has also completed baseline data collection since 2013, and is on track to finalize the studies for an Environmental and Social Impact Assessment.

"Having completed all terms of its Exploration Concessions, and its Geological Documentation formally approved, the project has been substantially de-risked," said Chairman David Copeland. "Project Olza is located in a proven mining district, and Rathdowney now has a clear and exclusive pathway towards an exploitation concession. With a significant financing completed, the Company will refocus its efforts toward achieving that objective."

Additional Details of the \$6.9 Million Financing

Each Unit consists of one common share in the capital of the Company (a "Share") at a price of \$0.19 per Unit (the "Issue Price") and one common share purchase warrant (a "Warrant") entitling the holder to purchase one additional Share (a "Warrant Share") at a price of \$0.24 per Warrant Share for a period of two years. The Units, Shares and Warrant Shares will be subject to applicable resale restrictions, including a four month hold period from date of closing of the Offering under applicable Canadian securities laws. Finder's fees of 6% have been paid on a portion of the private placement.

Other Corporate News

The Company also announces that it has entered into a \$30,000 Convertible Debenture (the "Debenture") with an unrelated lender (the "Lender"). The Debenture is unsecured and will bear interest at a rate of 12% per annum, and has a Maturity Date of February 24, 2019 ("Maturity Date"). The Lender may in its sole discretion elect to convert all, but not less than all, of the indebtedness into that number of Shares of the Company determined based on a conversion price of \$0.25/share during a period of eighteen months after the date of the Debenture. The Debenture proceeds will be used by the Company for working capital. The Debenture is subject to acceptance by the TSX Venture Exchange.

For further details on Rathdowney and Project Olza, please visit our website at www.rathdowneyresources.com or contact investor services at 604-684-6365 or toll free (NA) at 1-800-667-2114.

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

On behalf of the Board of Directors
David Copeland
Chairman

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address exploration drilling, exploitation activities and events or developments that the Company expects, are forward looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Assumptions used by the Company to develop forward-looking statements include the following: the Olza project will obtain all required environmental and other permits and all land use and other licenses, studies and development of the Olza project will continue to be positive, and no geological or technical problems will occur. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continuity of mineralization, potential environmental issues and liabilities associated with exploration, development and mining activities, uncertainties related to the ability to obtain necessary permits, licenses and title and delays due to third party opposition, changes in government policies regarding mining and natural resource exploration and exploitation, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's continuous disclosure filings that are available at www.sedar.com.

Information Concerning Estimates of Inferred Resources

This news release uses the term "inferred mineral resources". Rathdowney Resources Ltd. advises investors that although these terms are recognized and required by Canadian regulations (under National Instrument 43-101 Standards of Disclosure for Mineral Projects), the U.S. Securities and Exchange Commission does not recognize them. Investors are cautioned not to assume that any part or all of the mineral deposits in these categories will ever be converted into reserves. In addition, "inferred resources" have a great amount of uncertainty as to their existence, and economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or pre-feasibility studies, or economic studies except for Preliminary Economic Assessment as defined under 43-101. Investors are cautioned not to assume that part or all of an inferred resource exists, or is economically or legally mineable.