

June 28, 2016

Raging River Capital LP
222 West Adams, Suite 1980
Chicago, IL 60606

Attention: Mr. Mark Radzik

Dear Sir:

Re: RRC Second Round Concerns Letter

In response to your second letter, please be advised as follows:

1. Water Discharge from the Gibraltar Mine:

The Gibraltar Mine has been operating for over 40 years, and during that time the regulatory regime for water handling and discharges has changed a number of times. Since current management took over the Gibraltar Mine and expanded its operations, we have sought modifications to our water management permits and been successful, based on our water quality as compared to regulatory standards. The questions you ask are highly technical and are the subject of ongoing interaction with Provincial regulatory authorities, so are not appropriate for response in this letter. You are correct to imply that there is always a risk that Provincial authorities could amend or perhaps even decline to renew discharge permits, whether temporary or otherwise. However be assured that management foresees no new or unusual circumstances that would see permits revoked due to discharged water exceeding the standards set by government.

2. First Nations Relationships:

As you may have perceived, Management tries to minimize negotiating in public. If any affected party, including our First Nations neighbours, has a concern with the Company's actions, or inactions on any matter, they are encouraged to contact senior management personnel on site or in the Vancouver office to set up meetings to discuss them.

With respect to the ?Esdilagh property that you refer to, near the Gibraltar Mine, we understand that this was a replacement or compensation property received by the band for infringement by government on their original reserve lands on the west side of the Fraser River. This replacement property is on the east side of the Fraser River, apparently within the traditional territory of the Soda Creek and Williams Lake bands,

and is less accessible by ?Esdilagh members. Strength of Claim analysis, by various levels of government, has determined that the Williams Lake and Soda Creek bands traditional areas and reservations lands are closest to the mine. That said, we know the situation is complex and continue to offer to engage with ?Esdilagh as we have with Williams Lake and Soda Creek.

3. Debt Repayments:

Debt levels are a challenge in these metals markets and I can assure you that our plans are likely similar to those other similarly situated companies; namely to engage and work with our creditors and to look at various alternatives regarding financings until conditions improve. If anything is undertaken with respect to outstanding debt, all shareholders and the market in general will be informed appropriately by management.

4. Mine Plan:

Gibraltar head grade is variable but not unanticipated. Focusing on very short-term operations is quite inappropriate for a long-life operating mine. Our preference is to use a longer-term outlook, such as annual or bi-annual at a minimum. The head grades we have been mining are exactly what is in the Company's Mine Plan which was approved by the Board. The strategic rationale to update the long-term mine plan was to keep the Mine's operating cash flow positive during the most depressed copper price regime of the last decade and since the Financial Crisis.

5. Production Results:

Management has assessed and determined, through discussion with both sell-side and buy-side analysts, that issuing two separate operating reports, namely the raw production results and then the financial results no longer continues to be as appropriate as it was during early ramp-up years and again later during the expansion. At this point, production reporting as a separate report will likely be curtailed, as the information about production results is less useful and may even be counter-productive when released before financial results given the volatility of copper prices.

6. Proxy Expenses:

Our proxy costs were high because of RRC's persistent failure to comply with the law and tactics like the unfounded insider trading and oppression complaints. Investigation costs were incurred to discover the material misstatements in your filings and disclosures, such as Mr. Radzik's litigious corporate bankruptcy, your undisclosed ownership of bonds, the legal reviews of your complex agreements for your compensation and the golden leashes in order to understand your legal and financial

structure after we paid for the court action to force your disclosure of this key information. There was considerable lawyer time spent to prepare for the 13D hearing as well as the defamation hearing. Other internal documents that were obtained by court order had to be reviewed, including legal files pertaining to the Wanxiang Group's relationship with Curis and your group. An expensive application for a successful judicial reconsideration had to be filed after your group represented to the Court that your latest 13D was compliant, when it was not. Our Canadian lawyers had to defend the "\$100 million" oppression lawsuit. We really don't want to revisit the proxy cost issue with you again but, suffice it to say, it appears that noncompliance with the law, unwarranted lawsuits and unsubstantiated regulatory complaints made up the bulk of the proxy costs. Shareholders saw through your misleading approach to this contest and by our determinations you received only some 5% of the votes, not including your own, despite your repeated disingenuous assurance to the market about your "overwhelming" level of support.

The remaining questions have been answered or we have no further comment at this time.

Sincerely,



Ron Thiessen
Chairman