

TSX : RNX

RNC MINERALS



**Focused on Value Creation**

September 14, 2016

# Disclaimer



## **Cautionary Statements Concerning Forward-Looking Statements**

This presentation provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Readers are cautioned to review the stated footnotes regarding use of non-IFRS measures.

This presentation contains "forward-looking information" including without limitation statements relating to the guidance for production; costs of sales, C1 cash costs, all-in sustaining costs and capital expenditures, and relating to the potential of the Beta Hunt Mine and the Reed Mine.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and the supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash costs, failure to obtain regulatory or shareholder approvals. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at [www.sedar.com](http://www.sedar.com).

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this presentation and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

## **Cautionary Statement Regarding the Beta Hunt Mine**

The decision by SLM to produce at the Beta Hunt Mine was not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. It is further cautioned that the PEA is preliminary in nature and includes inferred 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. No mining feasibility study has been completed on Beta Hunt. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

## **Cautionary Note to U.S. Readers Regarding Estimates of Resources**

This presentation uses the terms "measured" and "indicated" mineral resources and "inferred" mineral resources. The Company advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by the SEC. The estimation of "measured" and "indicated" mineral resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. The estimation of "inferred" resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. It cannot be assumed that all or any part of a "measured", "inferred" or "indicated" 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 studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. The SEC normally only permits issuers to report mineralization that does not constitute "reserves" as in-place tonnage and grade without reference to unit measures. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part or all of a "measured", "indicated" or "inferred" mineral resource exists or is economically or legally mineable. Information concerning descriptions of mineralization and resources contained herein may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

# Highly Experienced Management Team & Board



## DIRECTORS

<b>SCOTT M. HAND</b>	Former Chairman & CEO of Inco Limited
<b>PETER GOUDIE</b>	Former Executive Vice President, Marketing at Vale Inco and Inco Limited
<b>PETER C. JONES</b>	Former President & COO of Inco Limited
<b>FRANK MARZOLI</b>	Chairman, President and CEO of Marbaw International Nickel Corporation
<b>GILLES MASSON</b>	Former Partner at PricewaterhouseCoopers LLP (25 years)
<b>DONALD MCINNES</b>	Vice-Chairman of Alterra Power Corp., Chairman of the Clean Energy Association of British Columbia, and Co-founder of Oxygen Capital Corp.



## MANAGEMENT

<b>MARK SELBY</b> <i>President &amp; CEO</i>	Over 20 years mining industry experience and has been President and CEO of RNC since February 2014 Former VP, Strategy at Inco Limited and Vice President, Business Planning at Quadra
<b>TIM HOLLAAR</b> <i>Chief Financial Officer</i>	Over 20 years' experience in mining industry finance positions Has served in senior finance and marketing positions with several nickel companies
<b>ALGER ST-JEAN</b> <i>Vice President, Exploration</i>	15 years in the mining industry, primarily focused on nickel Former Senior Geologist with Xstrata Nickel (formerly Falconbridge)
<b>JOHNNA MUINONEN</b> <i>Vice President, Operations</i>	Strong technical and operating mineral processing background; 9 years at Vale Inco / Inco limited Recently in project management group in Vale Inco, project leader for Vale ultramafic project
<b>CHRISTIAN BROUSSEAU</b> <i>Project Director</i>	20 years of engineering and construction experience in the Canadian mining industry Held senior project roles at Detour Gold, Osisko and Falconbridge

# RNC: Recent Acquisitions Create A Low-Cost Gold-Copper-Nickel Producer



## **Beta Hunt Mine (100%):**

- 2016 production guidance Gold: 35-45koz
- Beta Hunt pre-commercial production for Q2 16 was 7.6 koz (5.4 koz of gold sold), 35% and 58% increases, respectively, compared to Q1
- Located in prolific and established mining district of Kambalda in Western Australia
- Q3 target run-rate of 42-44koz and ramping up towards ~60koz of gold annually by year end
- Third major gold zone discovered, significant exploration potential

## **Asset Portfolio:**

### **Reed Mine (30% interest):**

- 2016 Production Guidance:  
Copper: 4.0-4.5 kt; Gold: 0.5-0.75koz (30% basis)  
Cash flow positive at today's copper prices
- Estimated \$4.4 million cash generated during Q2 2016 and a further \$1.4 million in July 2016

### **Dumont:**

- Structurally low cost, large scale shovel ready project – permits, feasibility study complete
- 3<sup>rd</sup> largest nickel reserve in the world
- Located in Abitibi region of Quebec – one of world's leading mining jurisdictions

### **True North Nickel (68% owned by RNC)**

- West Raglan – Advanced high grade Ni-Cu-PGM property located in northern Quebec
- Qiqavik – New high grade gold mineralization discovery adjacent to West Raglan Project

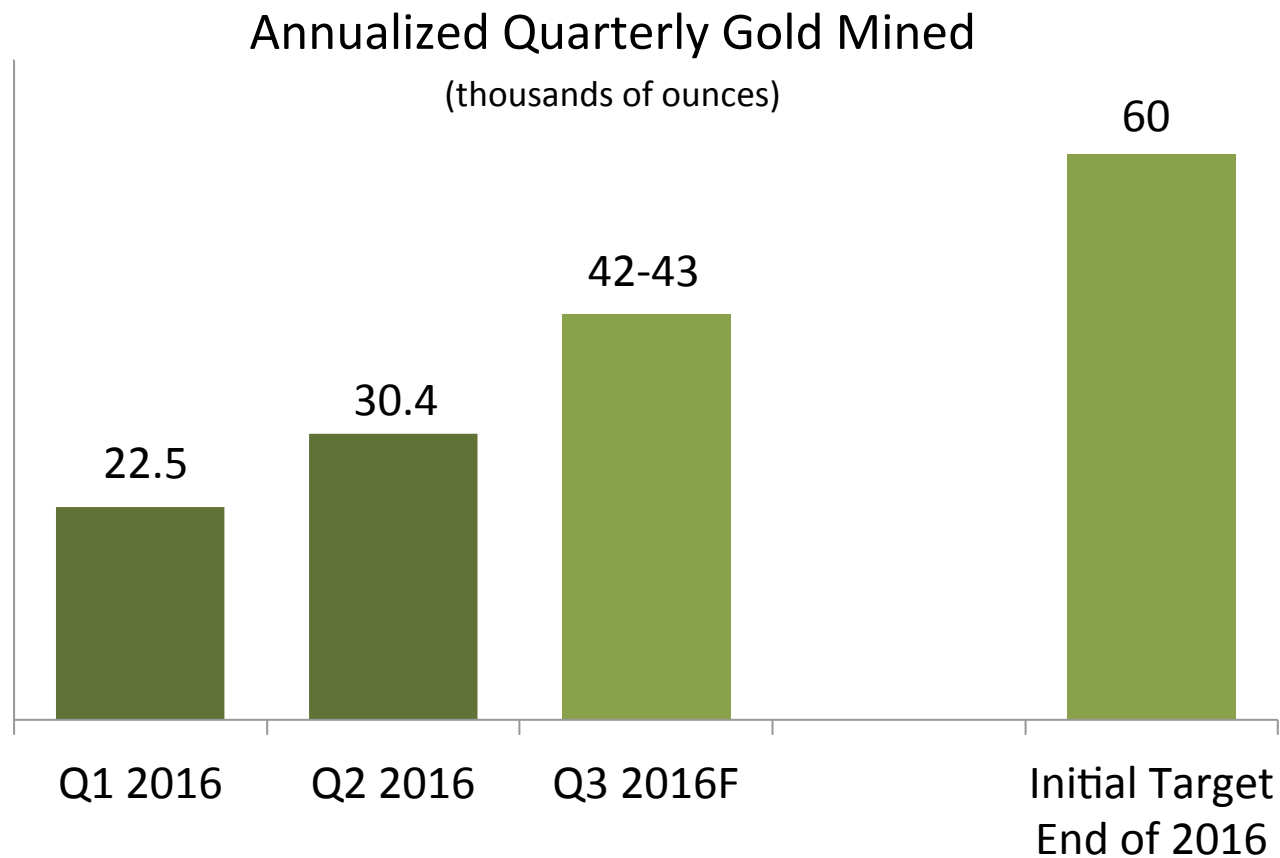


High grade gold sample from Beta Hunt Mine

## Beta Hunt Ramp Up

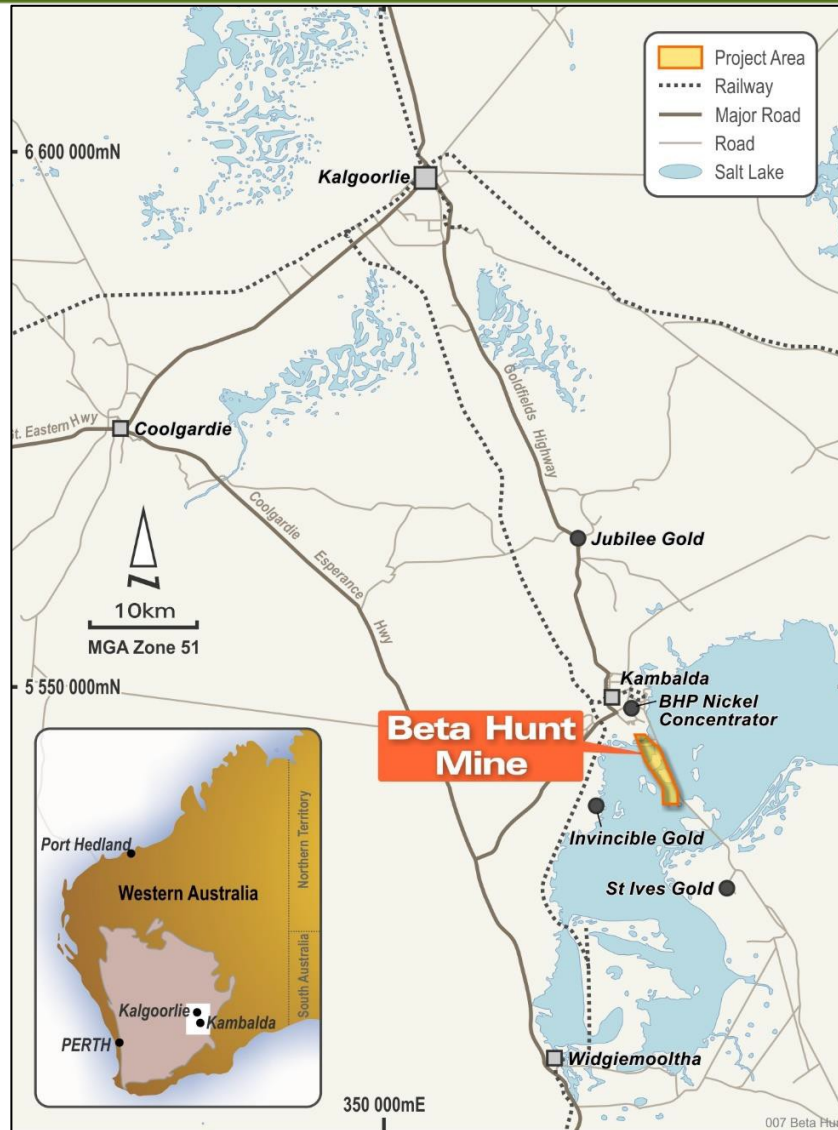


**Beta Hunt began gold production in late 2015 and is ramping up towards the initial production target of 60 koz annually by year-end 2016**





# Beta Hunt Mine: Excellent Location in Established Mining Camp, Close to Nickel and Gold Mills



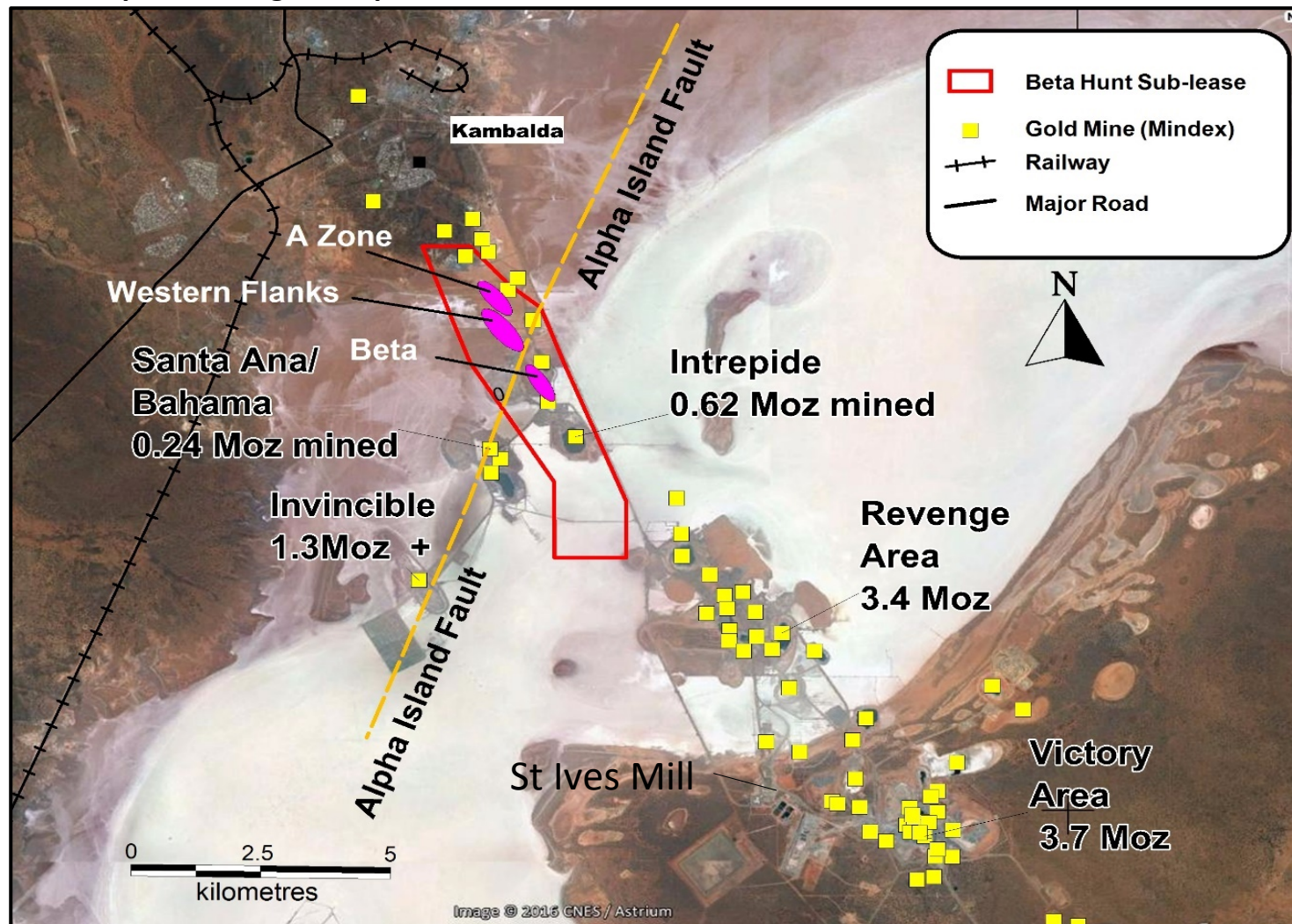
- 600 km east of Perth, Western Australia
- Kalgoorlie goldfield – 85 Moz since 1890
- Kambalda Ni – 1,400 kt Ni over 50 years
- Long established major mining centre
- Large local mining workforce & service industry



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt Mine: Located In a Prolific Gold Mining Region

Gold deposits along the Alpha Island Fault



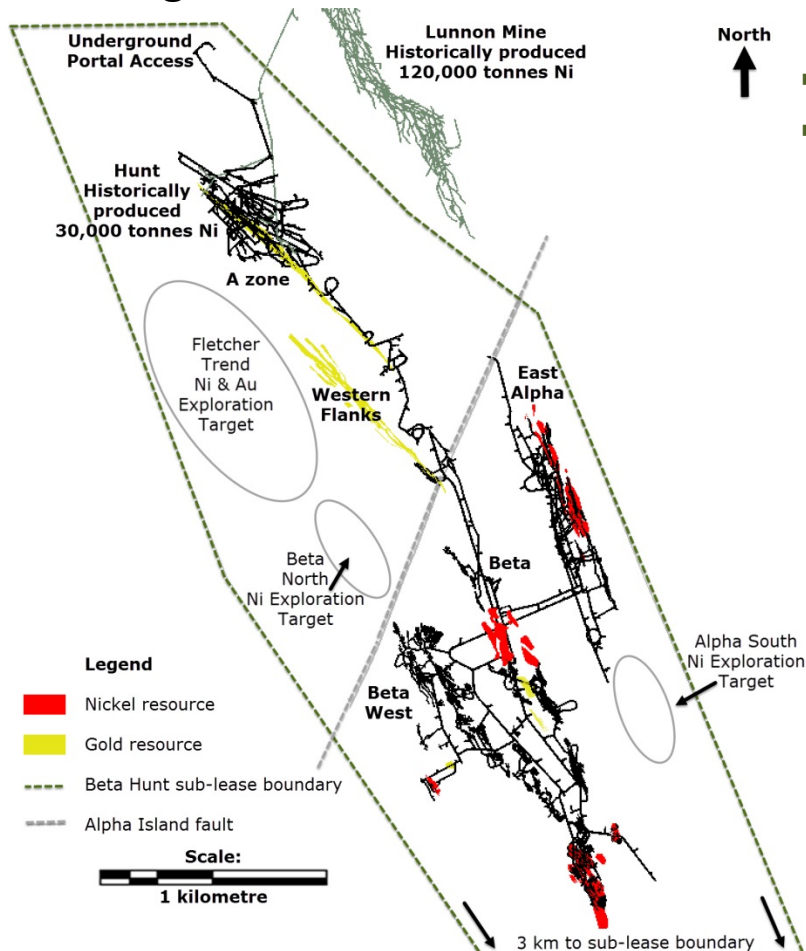
Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)



# Beta Hunt Mine: Existing Ramp Infrastructure in Close Proximity To Gold & Nickel Resources



**Beta Hunt is an exceptional mine with significant gold resource potential near existing underground infrastructure**



- Significant infrastructure in place – 5+ km under ground ramp
- Significant potential for resource expansions at relatively low cost and in close proximity to mine infrastructure provide future growth options
  - *Recently filed PEA has 92 koz Indicated Resource and a further 321 koz Inferred Resource in A Zone, Western Flanks and Beta areas*
  - *Exploration resource target: 300-550 koz*
    - *Significant potential for extensions to known resources along strike and at depth*
  - *Potential for additional parallel structures*
  - *Bonanza potential at “Hand of Faith”, potential for multiple “Hand of Faith” areas*

*It should be noted that the identified Exploration Targets are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The identified potential of the Exploration Targets are is not being reported as part of any Mineral Resource or Mineral Reserve.*

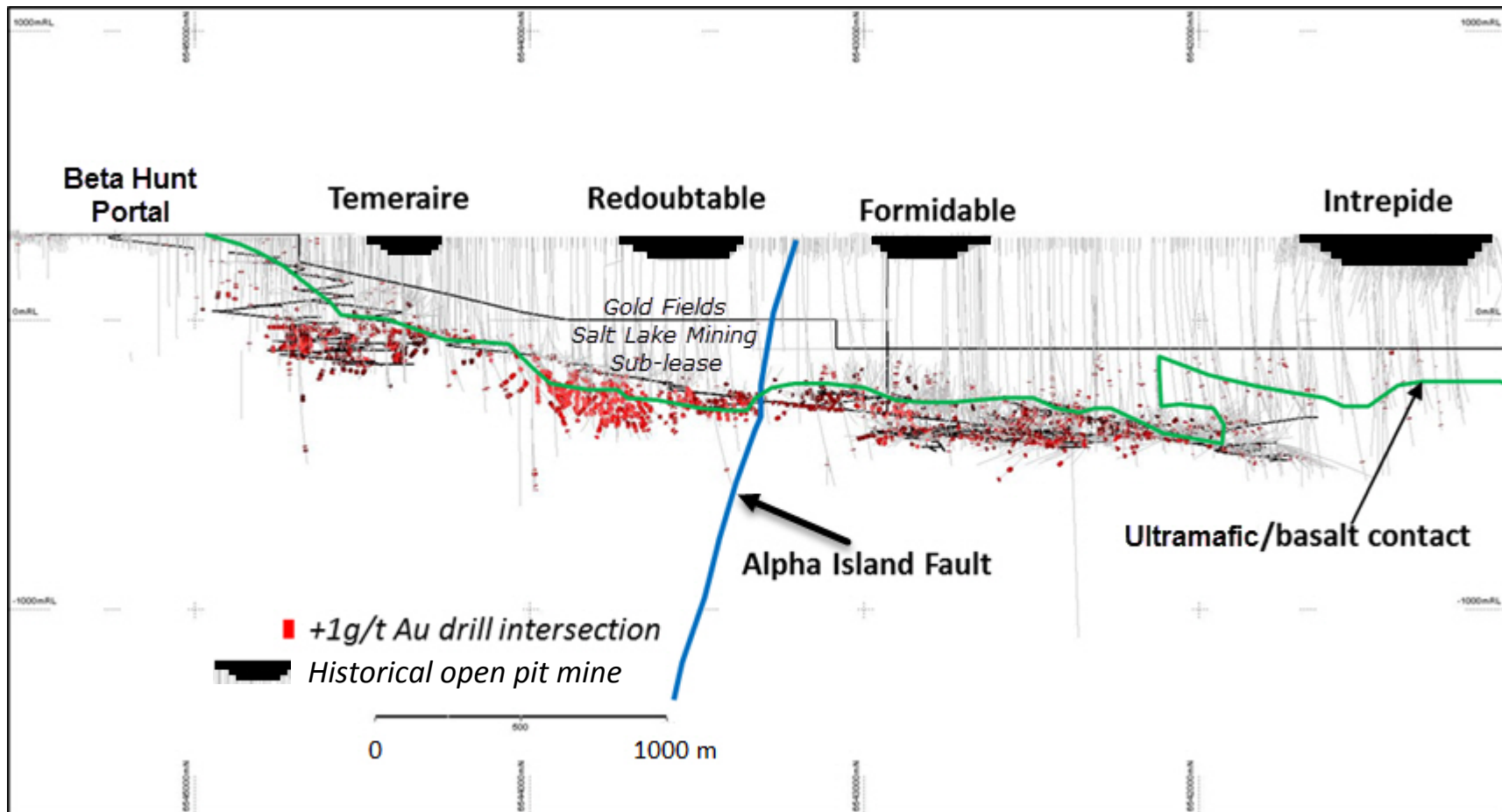
Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)



# Beta Hunt Mine: Historically, Focus Has Been On Nickel Exploration and Production



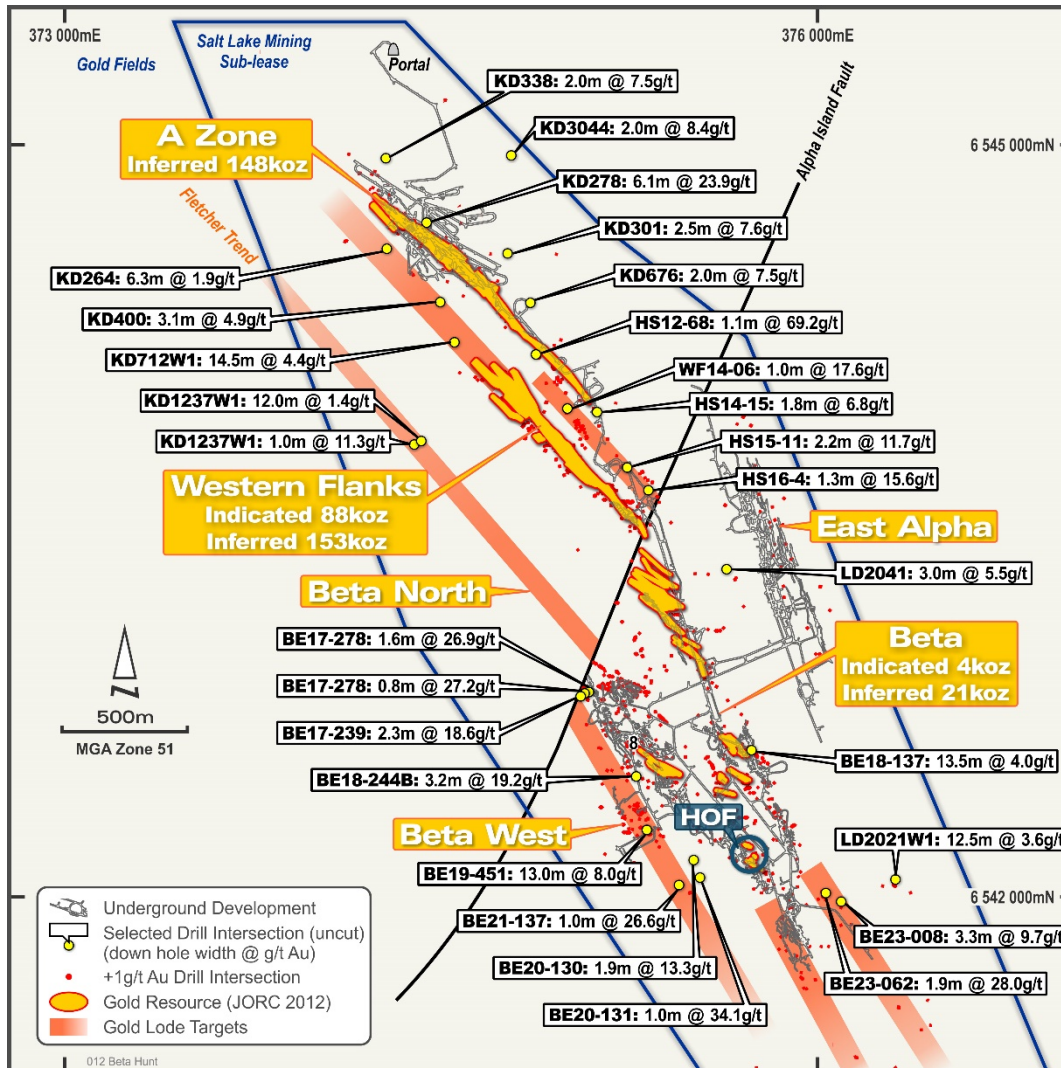
- Historical nickel focus is reflected by ~675km of drilling that targeted nickel troughs on ultramafic/basalt contact
- Very limited drilling greater than 100 m below contact where gold is located
- Last significant gold mining by WMC in 1985



Source: Salt Lake Mining

# Beta Hunt: Significant Potential for Parallel Structures AND to Extend Known Resources Along Strike ...

Plan view of gold targets and drill intersections



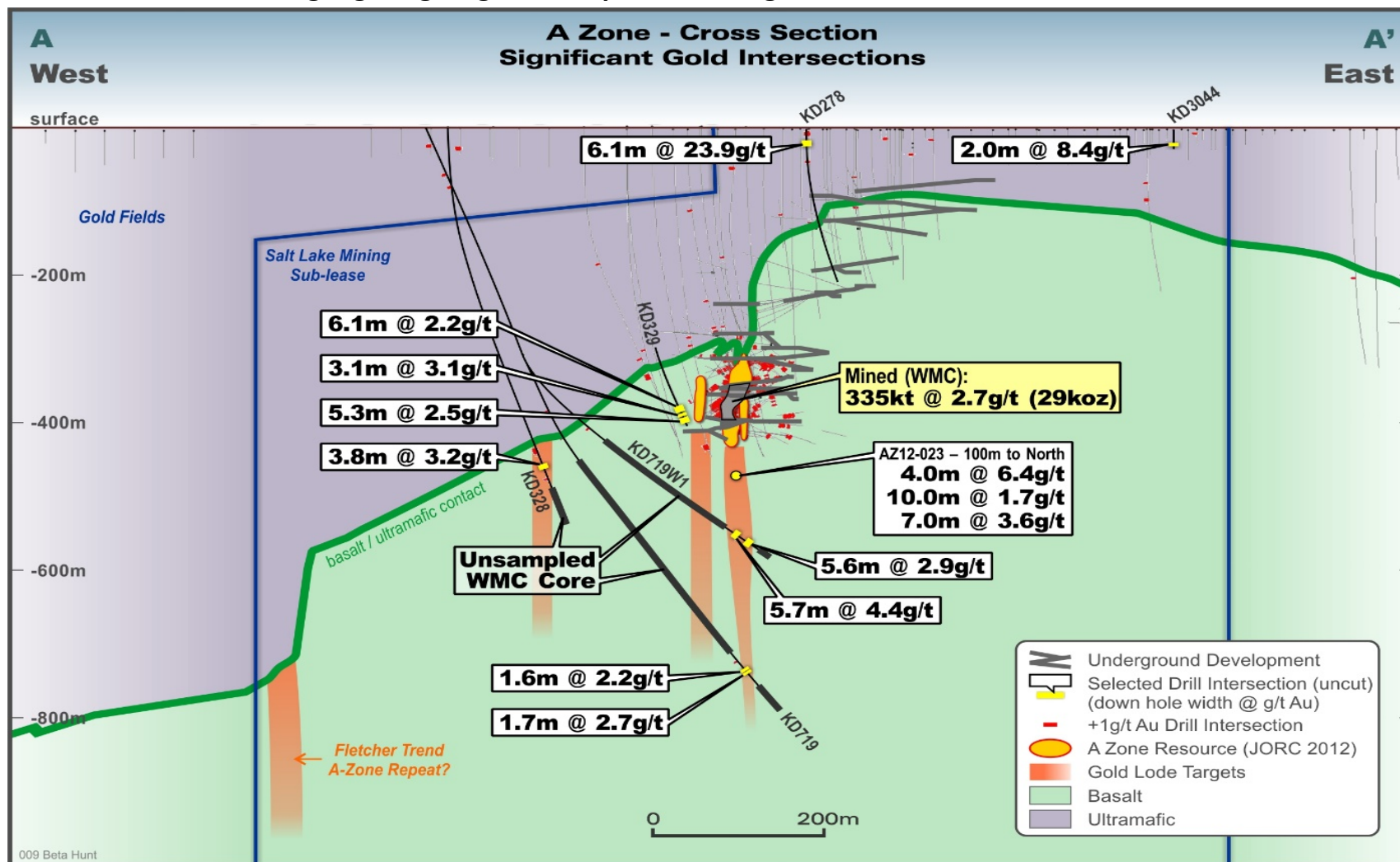
Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

## Beta Hunt Mine Exploration Potential

- Significant number of high grade gold drill intersections outside current resource
- Excellent potential for resource growth along strike, down dip/plunge and parallel/repeat gold lodes
- Fletcher trend identified as a conceptual repeat of A Zone and Western Flanks and is defined by a 150 m fault offset from surface drilling

# ... And Extend Known Resources at Depth

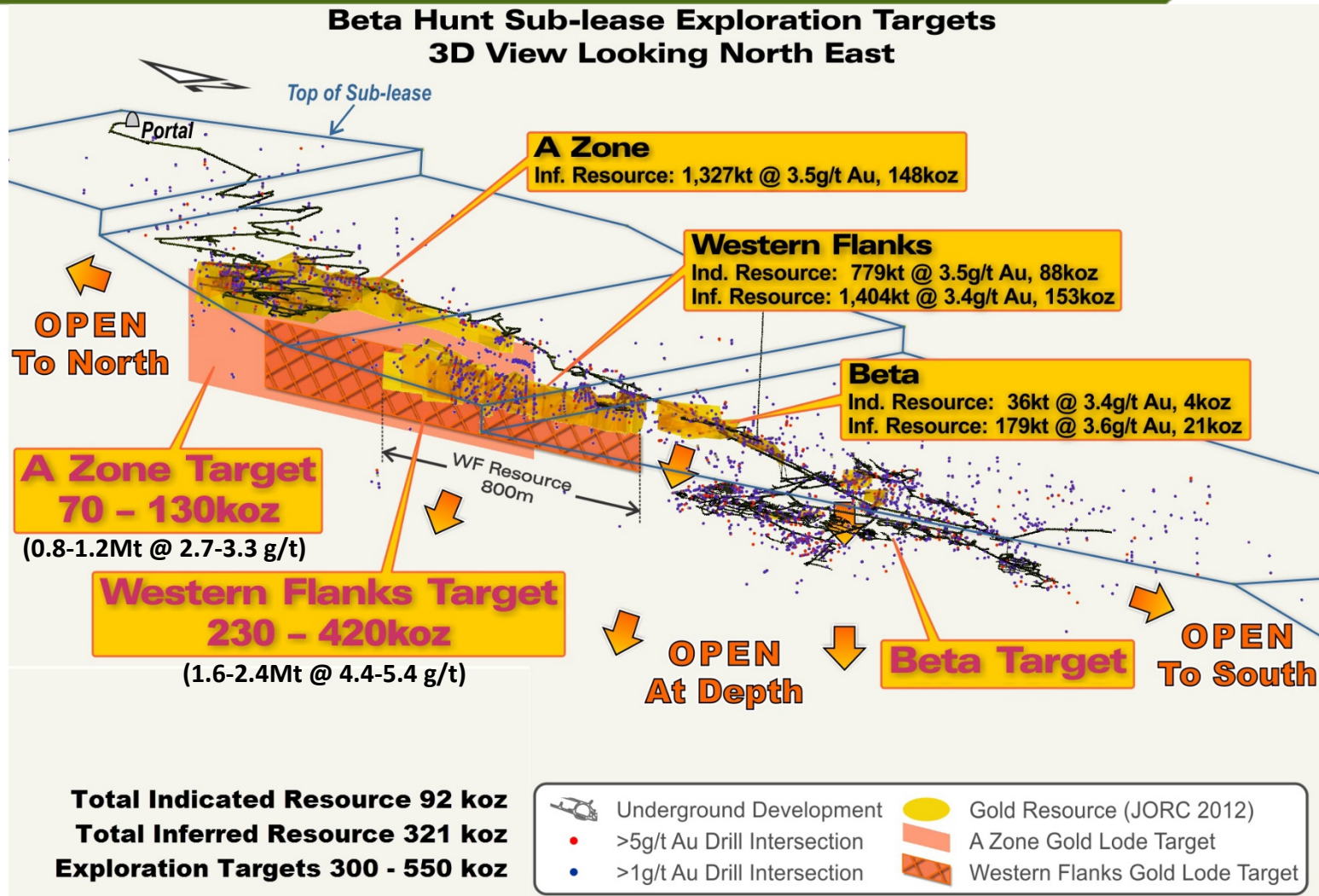
A Zone Cross Section highlighting targets at depth and along strike



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)



# Beta Hunt: Significant Exploration Potential - Targets



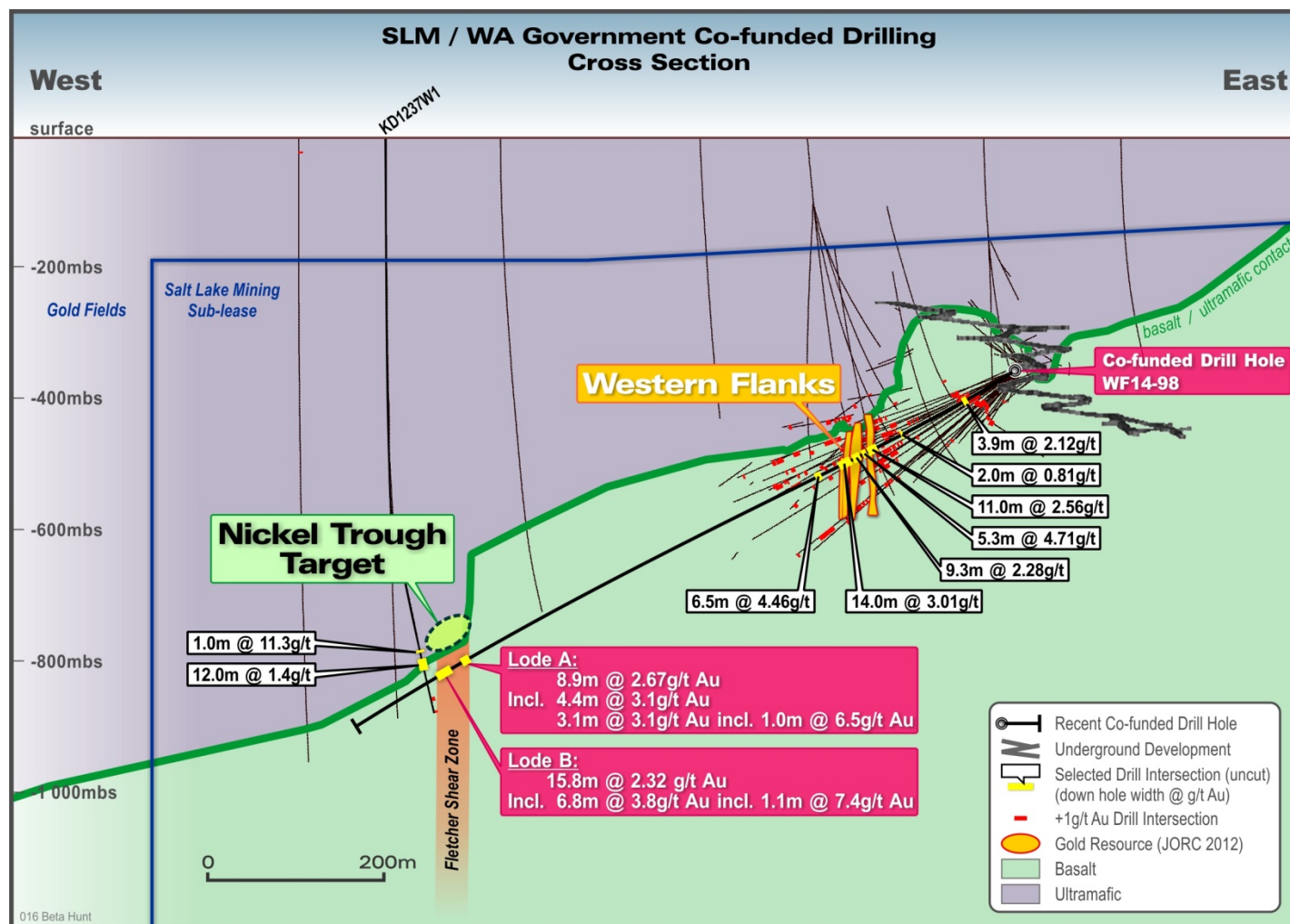
*It should be noted that the identified Exploration Targets are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The identified potential of the Exploration Targets are is not being reported as part of any Mineral Resource or Mineral Reserve.*

Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)



# Beta Hunt: Significant Exploration Potential

## Third Major Gold Zone Discovered - Fletcher Shear Zone

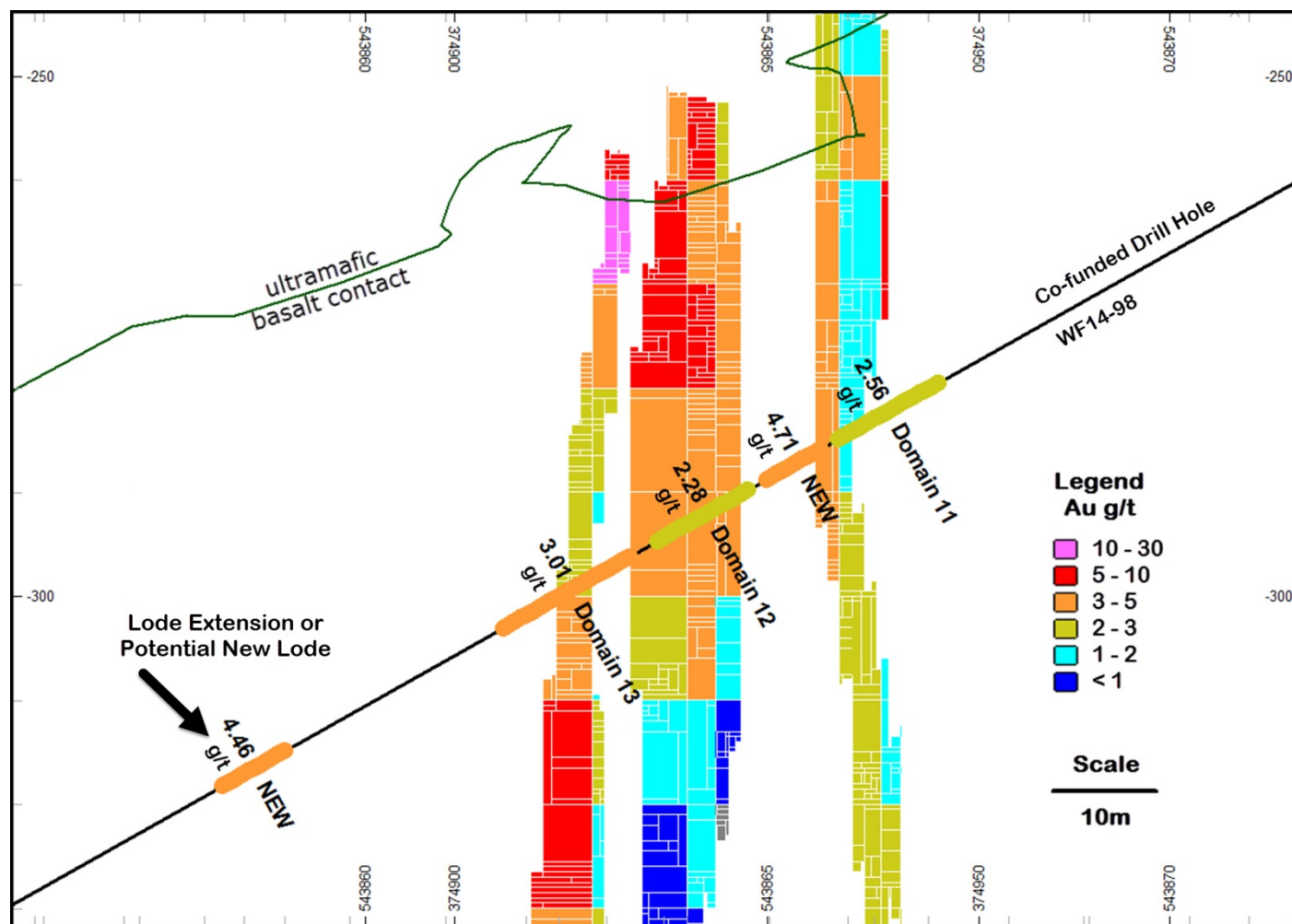


Source: RNC news release dated July 6, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt: Significant Exploration Potential Upside at Western Flanks

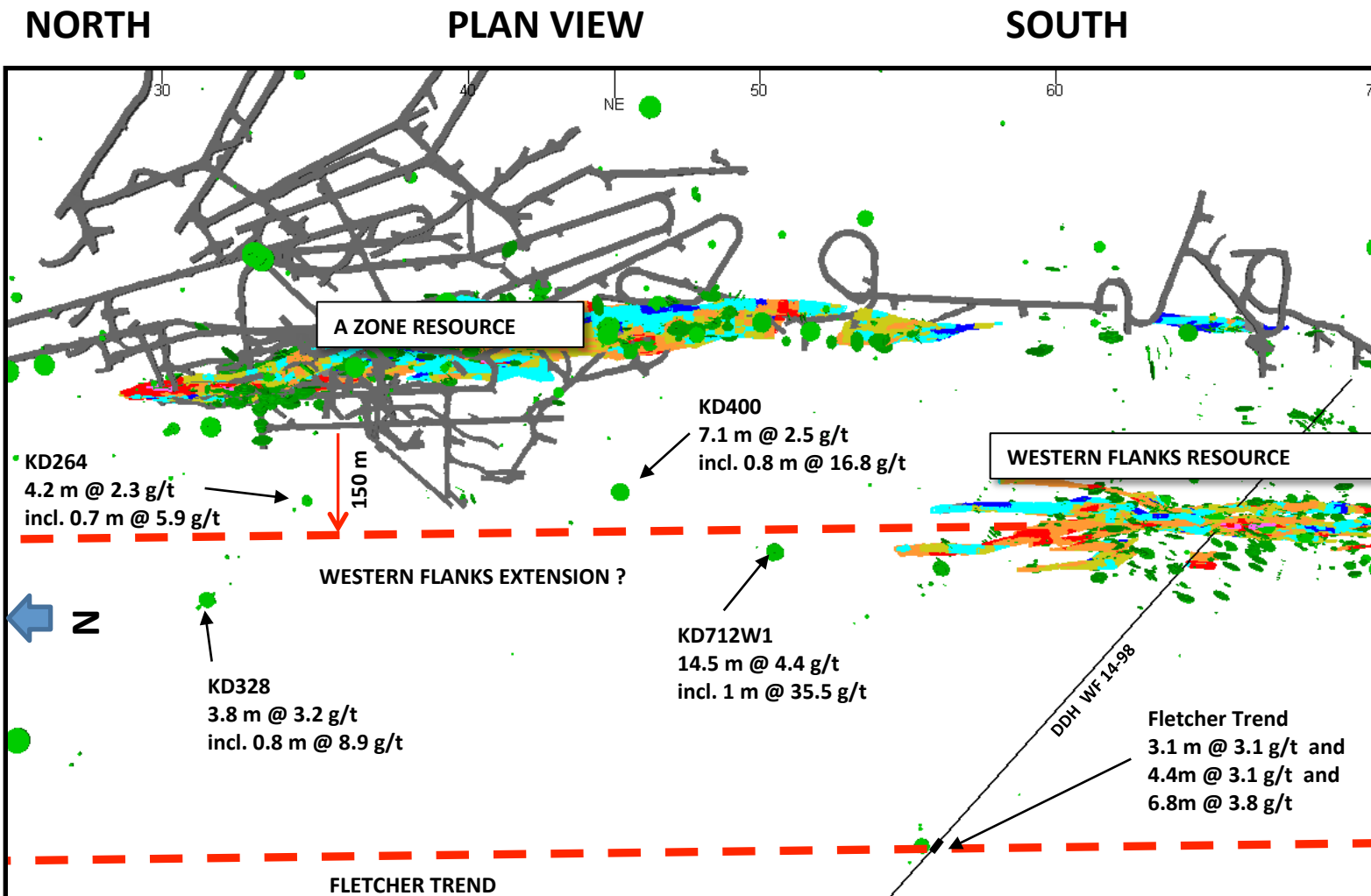


Western Flanks cross section highlighting wider intersections and higher grades than predicted by block model and a new intersection representing potential addition to current resource model



Source: RNC news release dated July 6, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

**RNC**



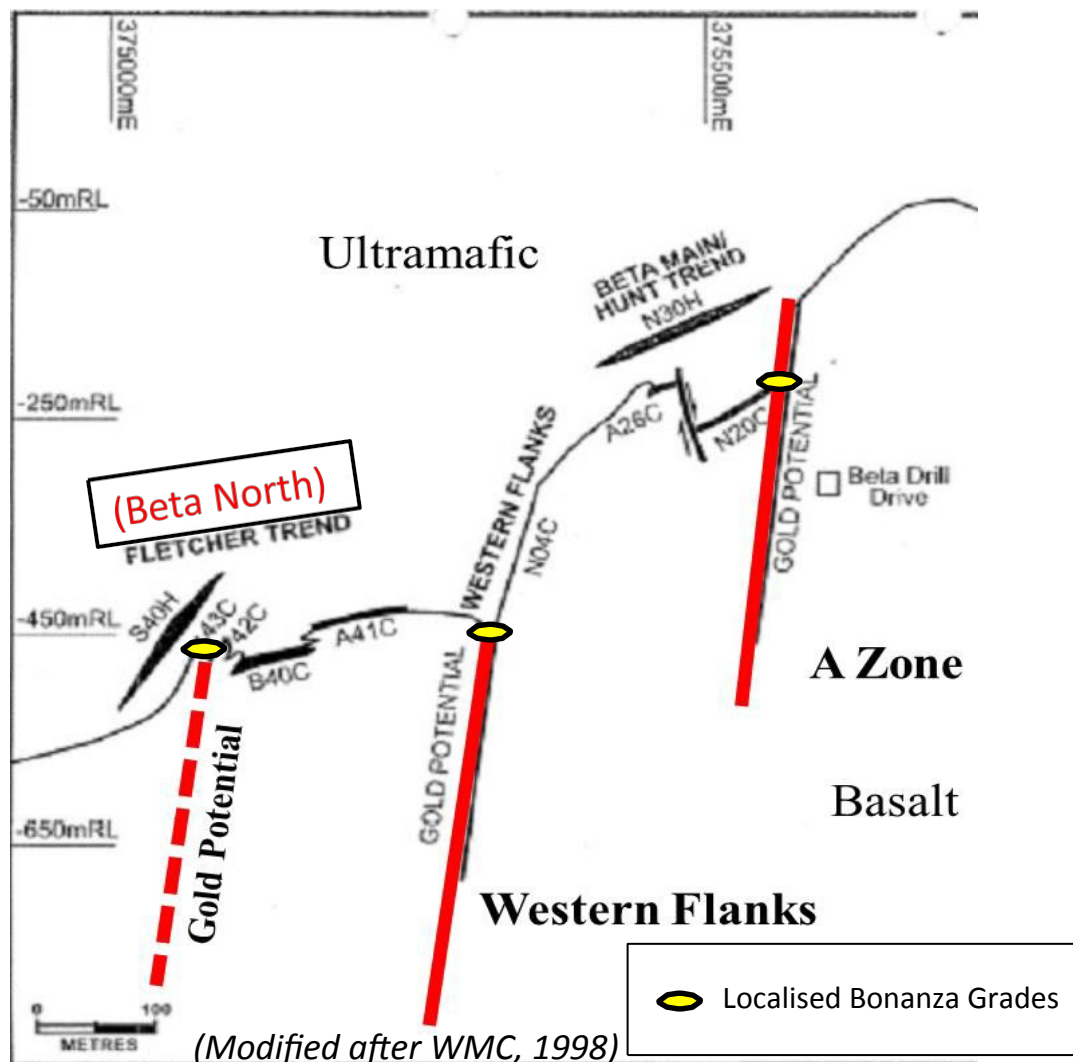
- **Historical gold intersections greater than 1 g/t**

# Beta Hunt: Significant Exploration Potential

## Bonanza Grade “Hand of Faith” Mineralization Control Understood



### Mineralization Controls on Formation



### Visible Gold in Beta Hunt Specimen Samples

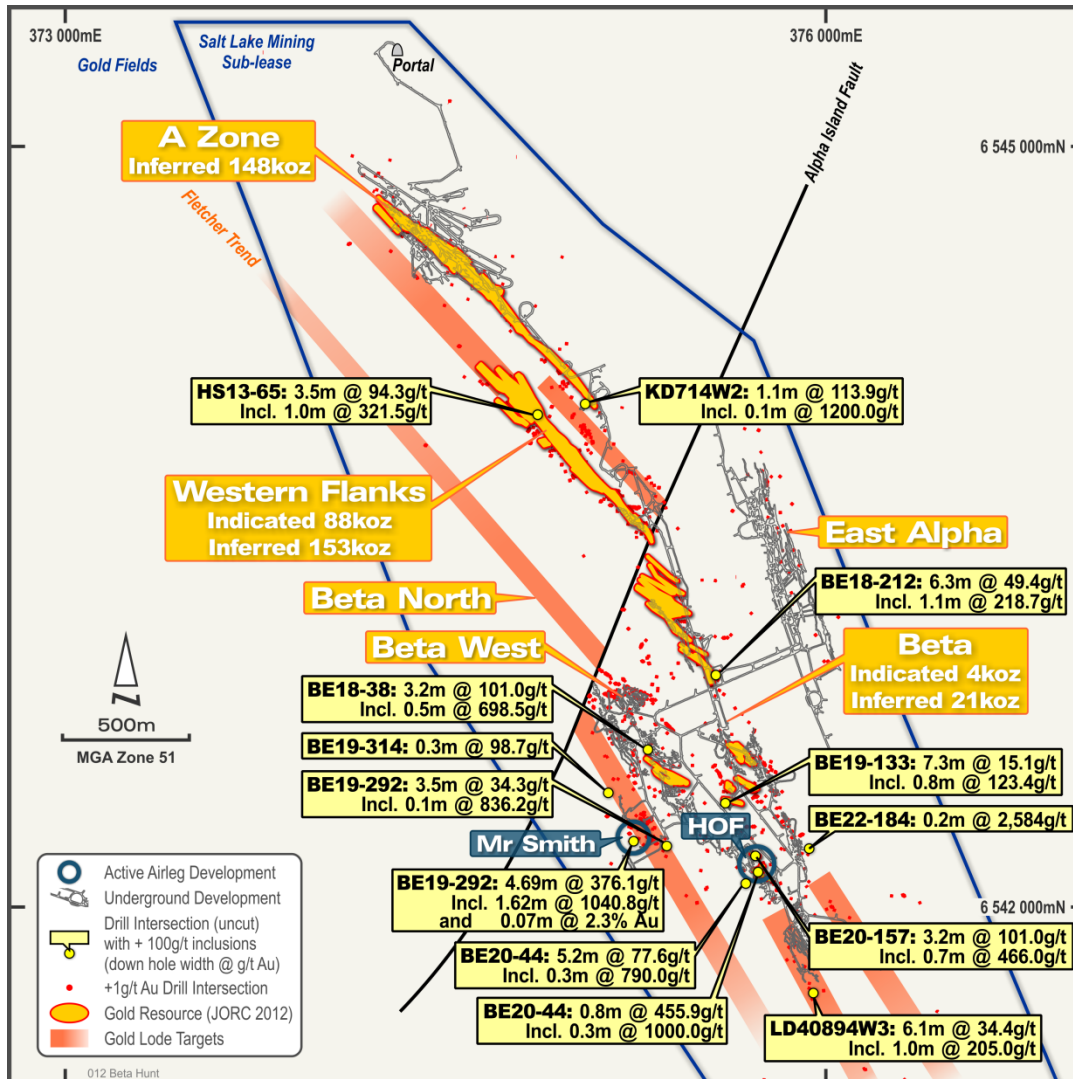


- Western Flanks / A Zone lodes controlled by NW trending, east side up faults
- Nickel (trough) mineralization is also remobilized into same late stage structures



# Beta Hunt: Potential For Multiple “Hand of Faith” Zones Across the Mine

Plan view of gold targets and drill intersections



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

## Beta Hunt Mine Exploration Potential

- Significant number of high grade gold drill intersections (>100g/t) outside current resources indicate potential for other “Hand of Faith” zones as there has been no prior comprehensive drilling strategy targeting these opportunities

# Reed Mine – Q2 2016 Highlights



- Excellent quarter at Reed with record production of 3.3 M lbs copper (1.5 kt) and low cash costs (RNC's 30% share)
- Contribution and bridge loan from Hudbay effectively reduced by \$4.4 million during Q2 and a further \$1.4 million in July to an estimated \$8.6 million (net of receivables)<sup>1</sup>
- Contribution and bridge loan balances (net of related receivables) owed to Hudbay expected to be zero in the third quarter of 2017 (based on current metal prices)

1. The contribution loan balance and bridge loan balances owing to Hudbay as at June 30, 2016 were, respectively, \$13.6 million and \$3.4 million (\$16.3 million and \$3.4 million as at March 31, 2016). Total loan balance as at June 30, 2016 was \$17.0 million (\$19.7 million as at March 31, 2016). Due to the approximate 100 day delay in the finalization of ore concentrate sales, these quarter-end loan balances do not reflect RNC's share of concentrate sales receivables (made during the quarter). This excess as at June 30, 2016 was \$7.0 million (\$5.3 million as at March 31, 2016). Net of this receivable, the total contribution loan and bridge loan balance as at June 30, 2016 would be \$10.0 million (\$14.4 million as at March 31, 2016). Cash flow generated in July \$1.4M would further reduce the total contribution and bridge loan balance to approximately \$8.6M as of July 31, 2016

## Reed Mine Q2 2016 Operating Review (100% basis)

	Q2 2016	Q1 2016
Ore (tonnes hoisted)	114,452	111,461
Ore (tonnes milled)	111,002	94,997
Copper (%)	4.87	4.38
Zinc (%)	0.45	0.82
Gold (g/t)	0.60	0.54
Silver (g/t)	7.47	7.21
Mine Unit Operating Cost (CDN\$/tonne)	\$44	\$46

## Reed Mine Q2 2016 Operating Review (30% basis)<sup>1,2</sup>

	Q2 2016	Q1 2016
Copper contained in concentrate (kt)	1.5	1.1
Gold contained in concentrate (oz)	402	319
Copper cash cost per lb sold	\$1.21	n/a
Copper all-in sustaining cost per lb sold	\$1.35	n/a

1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Prior period figures are for comparison purposes only

2. Cash cost and all-in sustaining cost per pound sold, net of by-product credits

## Reed Mine 2016 Guidance (30% basis)<sup>1</sup>

	2016
Copper (kt)	4.0 – 4.5
Gold (koz)	0.50 – 0.75

1. The operator has not provided guidance for the Reed Mine; the above guidance is RNC management's estimate of expected 30% share of 2016 production.

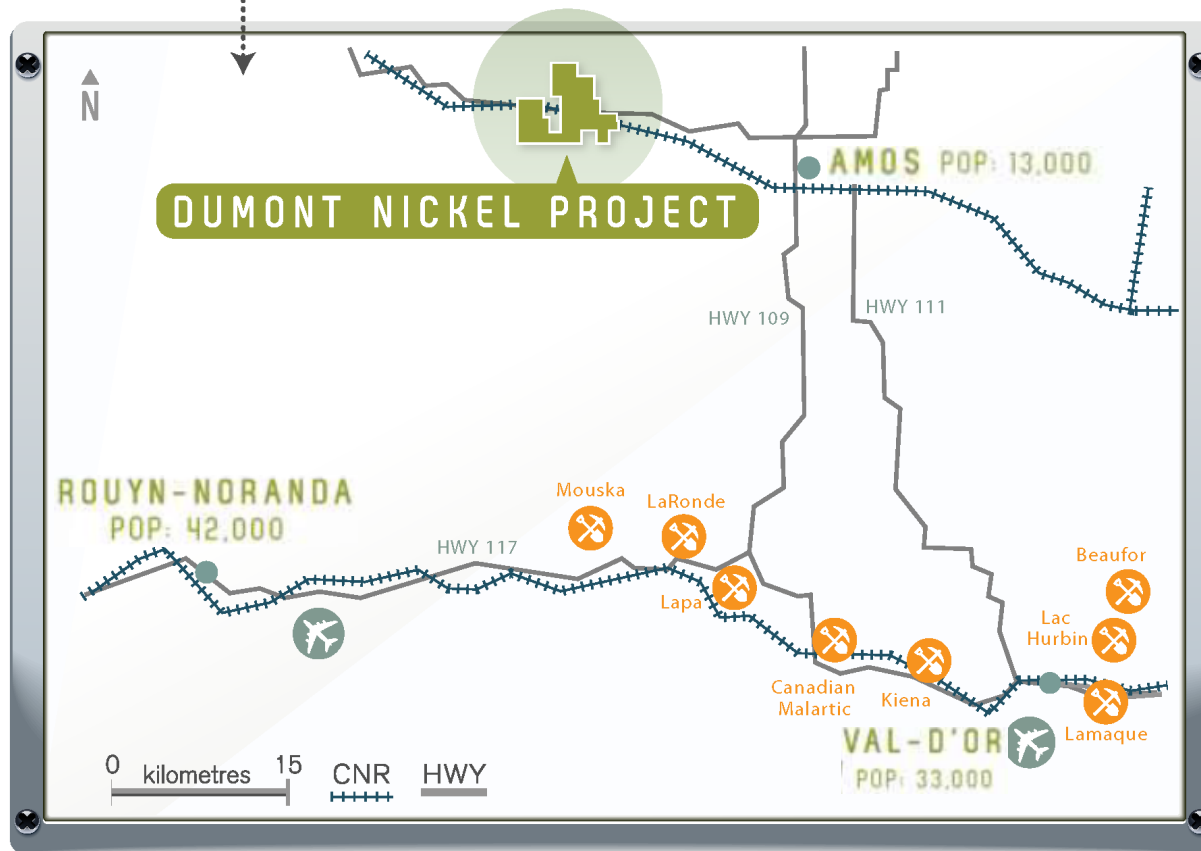
# Dumont Nickel Project

## Structurally Low Cost Project in Excellent Jurisdiction

RNC



ABITIBI REGION, QUEBEC, CANADA



Major support infrastructure in place (Road, rail, power, water)

Rich mining history and skilled, local workforce

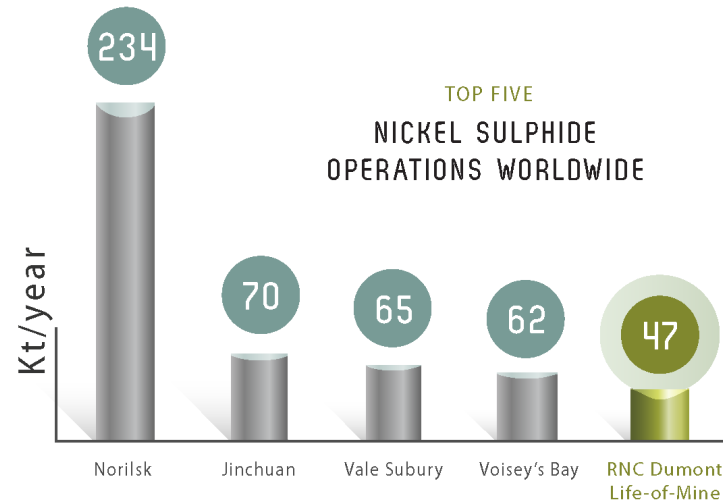
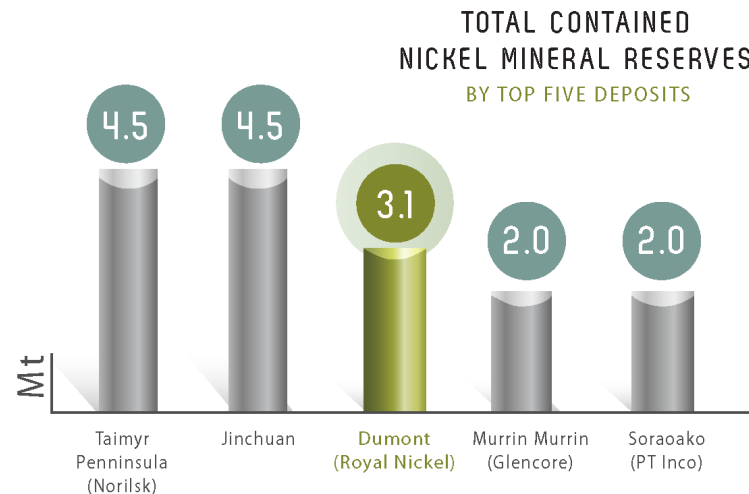
Long history of resource development (Close proximity to contractors and producing mines)

# RNC's Dumont Nickel Project: A Billion Dollar Opportunity



THIRD  
LARGEST  
NICKEL  
RESERVE IN  
THE WORLD

Source: Company reports and Wood Mackenzie Ltd. (December 2011). Dumont proven and probable reserve (June 17, 2013): 1,178,600 kt @ 0.27% nickel.



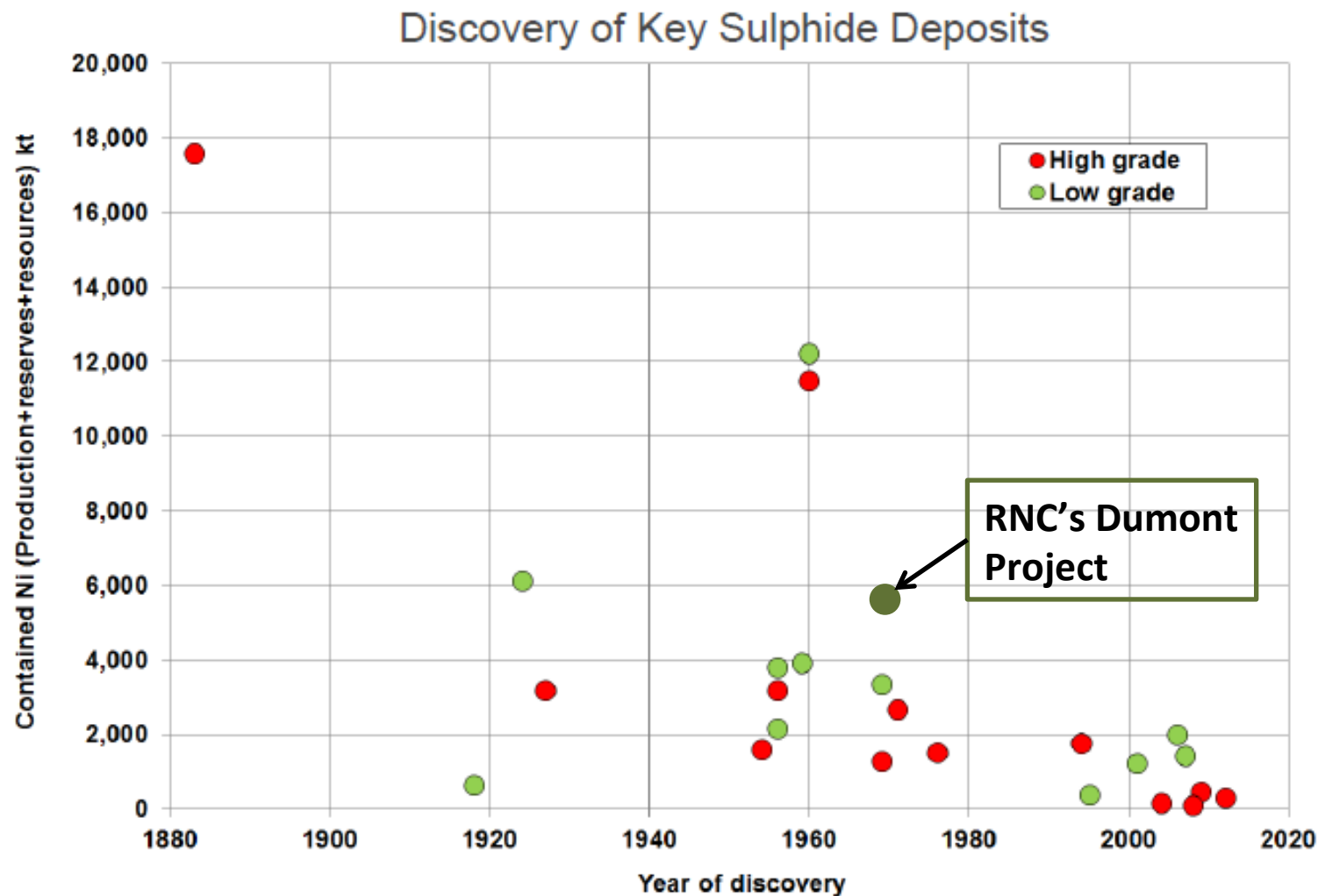
DUMONT TO  
BE ONE OF  
THE LARGEST  
NICKEL SULPHIDE  
OPERATIONS

Source: Company reports and Wood Mackenzie Ltd. (December 2011); RNC 105ktpd (LOM) vs 2012 production for other projects





# Dumont One of Largest Nickel Sulphide Discoveries *Ever* and Largest Since 1960



Source: Vale presentation at the Metal Bulletin 3<sup>rd</sup> International Nickel Conference , London, April 29, 2015

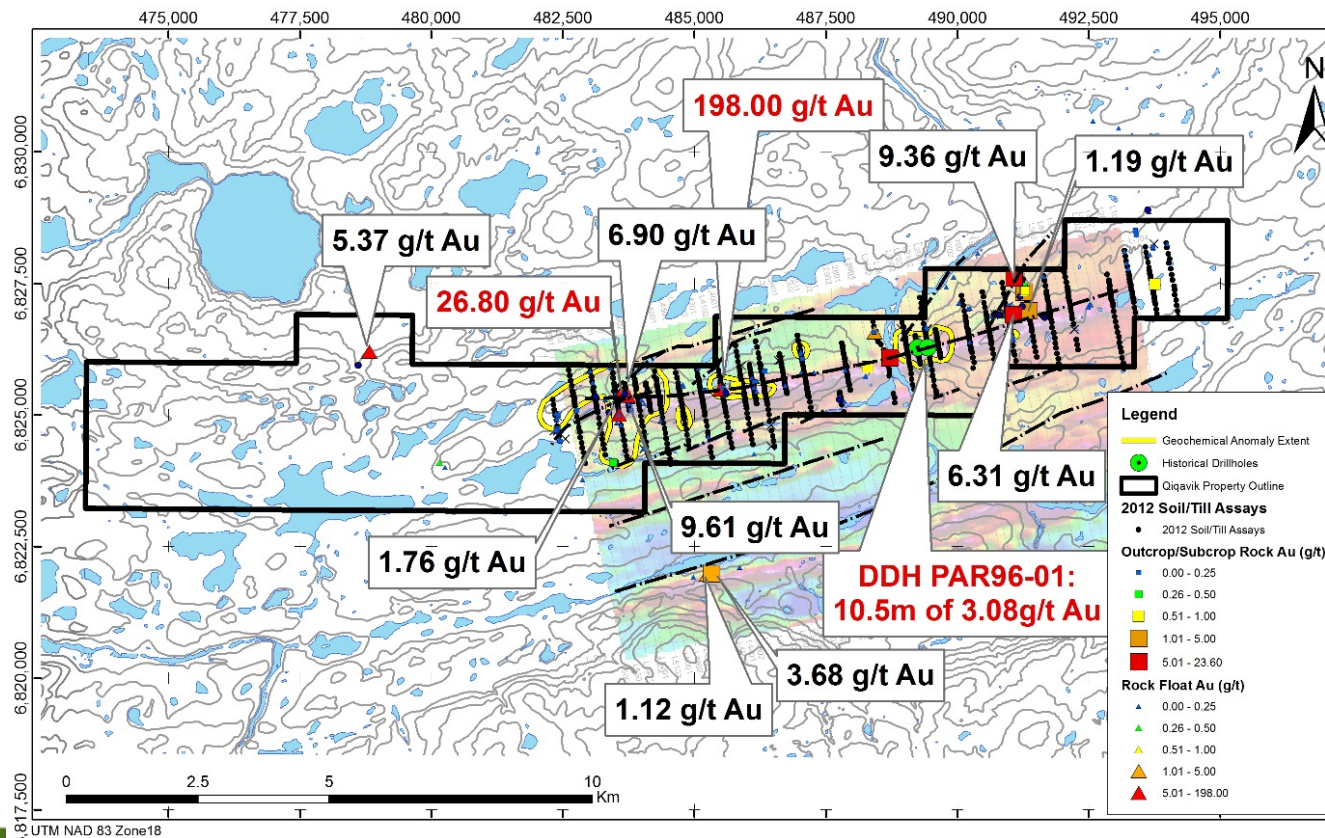
# Qiqavik – Gold Exploration Potential

## Asset to be JV/Spun Out for Future Funding



- 2016 program underway to following up on the discovery of high grade gold mineralization at surface over 15km of strike length
- The 2015 prospecting results demonstrated the potential for the Qiqavik project to host important new gold and copper deposits
- Following 2016 exploration results, RNC may seek to joint venture or spin out this asset to allow funding of future exploration programs with minimal dilution at the RNC level

*Map of Au Results from Rock Grab Samples- 2015 Qiqavik Prospecting Program and historical results*



Source: RNC news release dated July 11, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

- **Transition from an explorer and developer to a self-sustaining, cash flow generating multi-asset and multi-metal (gold, nickel, copper) producer is well underway**
- **Eric Sprott has agreed to purchase at least 10% of RNC's outstanding shares through a combination of a Private Placement and secondary market sales (expected to close on September 23, 2016)**
- **Attractive asset base to build on: combination of production assets, a shovel ready, world class nickel development project, and high potential exploration projects**
  - **Beta Hunt – gold, nickel producer – gold production ramping up, substantial gold exploration potential, significant nickel optionality**
  - **Reed Mine – low cost copper producer**
  - **Dumont – shovel ready, world class nickel development project**
  - **Qivavik – high quality gold exploration project**

## Share Structure<sup>1</sup>:

■ <b>Basic Shares Outstanding:</b>	<b>247.5 million</b>
■ Options ( <i>average exercise price: C\$0.51</i> )	16.2 million
■ Deferred/Restricted Share Units	3.6 million
■ Warrants ( <i>exercise price: C\$0.375</i> )	0.7 million
■ Compensation Warrants ( <i>ave. price C\$0.51</i> )	0.6 million
■ Contingent Shares	7.0 million

■ <b>Fully Diluted Shares Outstanding:</b>	<b>275.5 million</b>
--	----------------------

■ <b>Directors and Officers Share Ownership:</b>	<b>~8%</b>
■ <b>Large Shareholders:</b>	
<b>Oppenheimer Funds, Inc.</b>	<b>~4%</b>
<b>Orion Mine Finance</b>	<b>~4%</b>

## Balance Sheet Highlights:

■ <b>Cash and Cash Equivalents<sup>2</sup>:</b>	<b>C\$9.7 million</b>
■ <b>Market Capitalization<sup>1</sup>:</b>	<b>C\$99 million</b>

1. Shares outstanding, fully diluted shares outstanding, shareholdings and market capitalization as at August 15, 2016

2. Cash and cash equivalents as at June 30, 2016