

TSX : RNX

RNC MINERALS



**Focused on Value Creation**

November 5, 2018

# 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).

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## **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.

## Beta Hunt – Untapped Exploration Potential Significant High Grade Upside



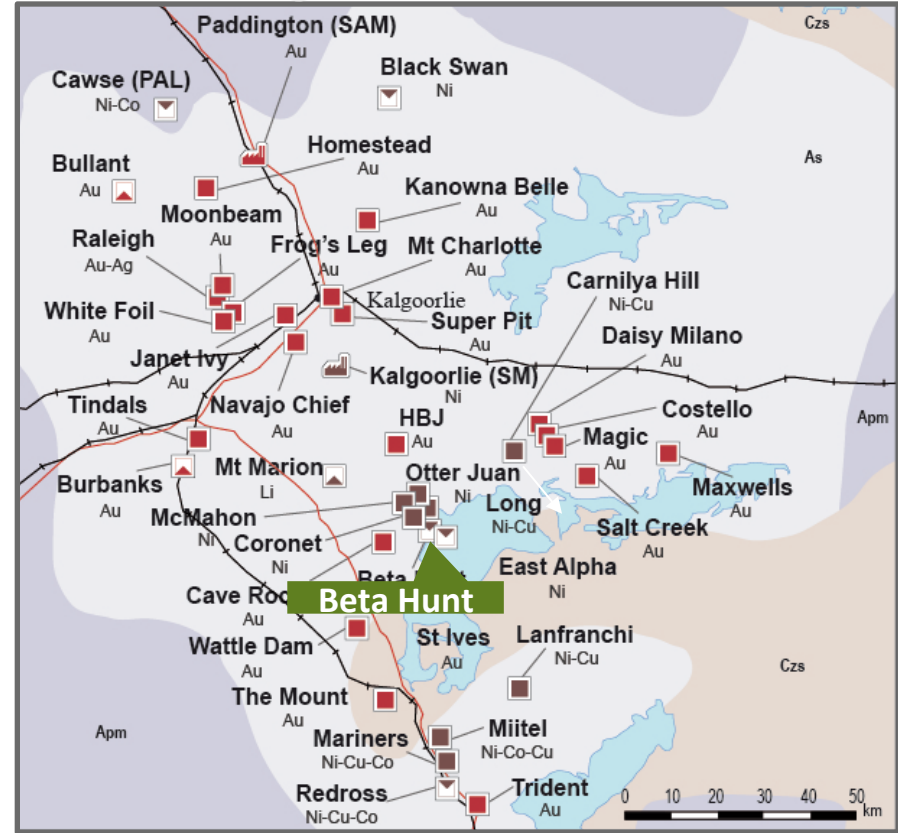
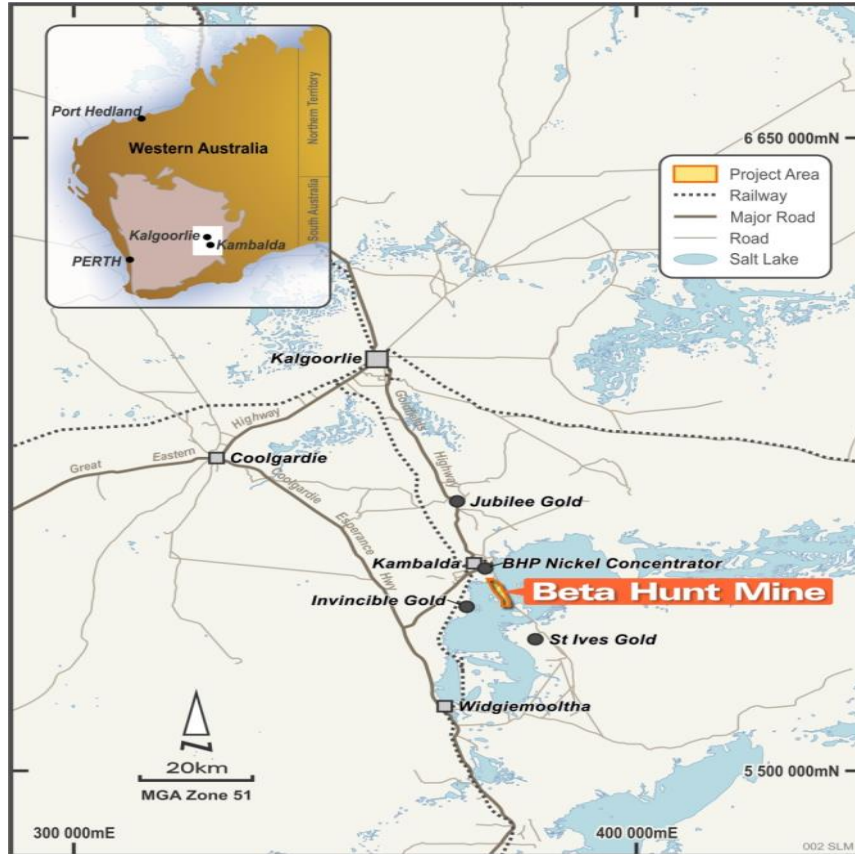
**Beta Hunt is a gold mine with tremendous exploration potential to develop a large resource and existing infrastructure to support a large operation. Recent high grade gold discovery confirms significance of high grade sediment structures**

- Located in region that's delivered 12 MM ounces since mid-80s
- First company to mine in Lunnon Basalt – host rock extends for kilometres at depth
- Resource potential underpinned by multiple shear zones across a 2 km strike length (with up to 4 km potential indicated by historic drilling)
- Team at mine unlocking potential of high grade gold over past year led to recent once-in-a-lifetime discovery
- Well-documented sediment structures provide significant potential for even more



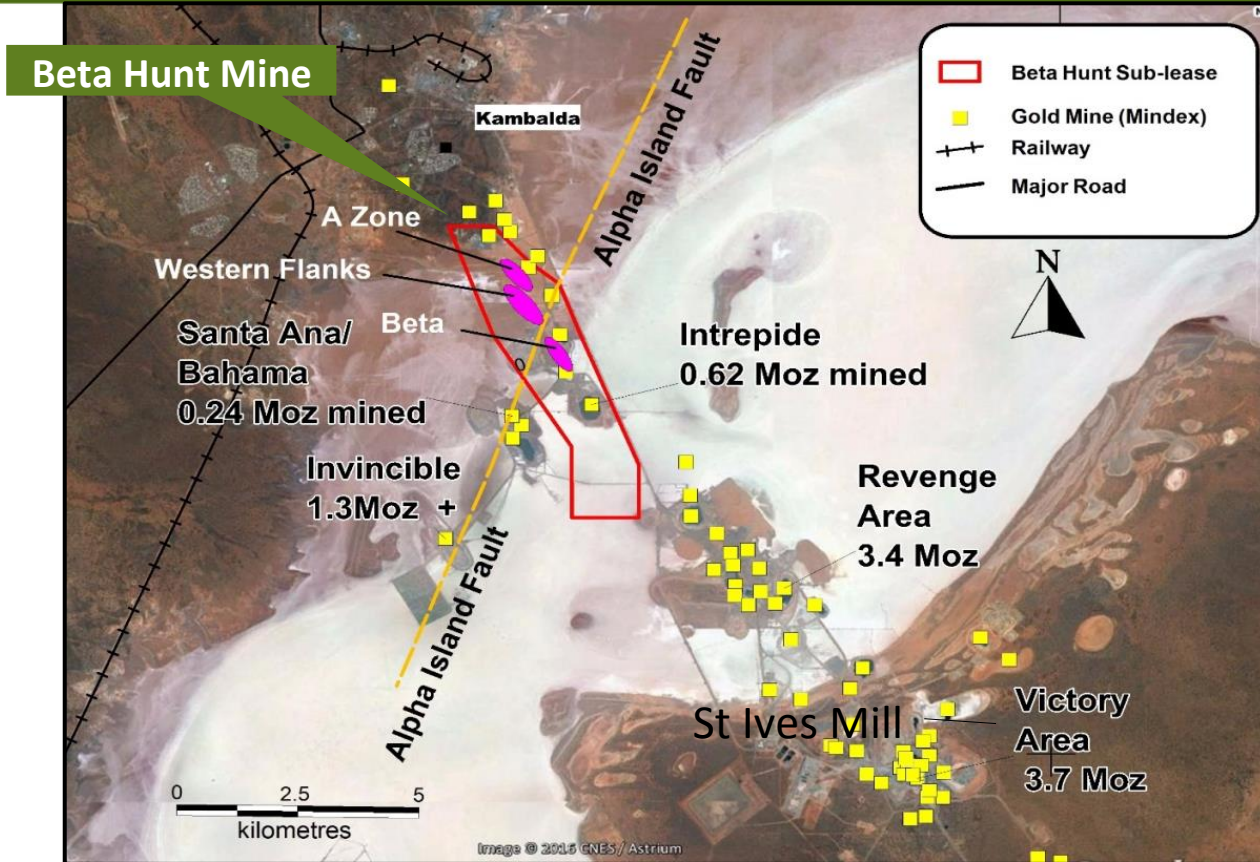
*Geologist Lachlan Kenna, air-leg miner Henry Dole, mine foreman Warren Edwards and senior geologist Zaf Thanos with large gold specimens found at the Beta Hunt Mine. Source: ABC Goldfields-Esperance: Jarrod Lucas*

# Beta Hunt Mine: Kalgoorlie Located in a Well-Endowed Gold & Nickel Region



# Beta Hunt Mine: Kambalda District

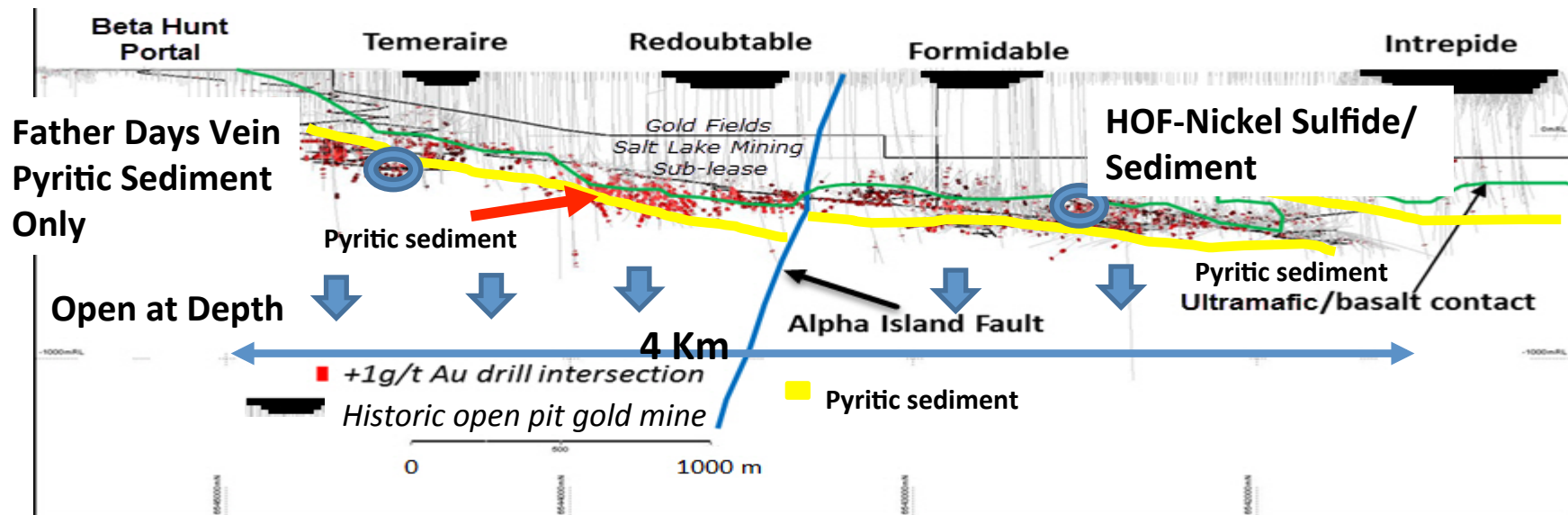
Well-Defined Gold Trends: ~12 MM ounces since mid-80s



# Beta Hunt Mine: Historic Nickel Drilling Revealed 4+ Kilometres Strike Length of Gold Structures



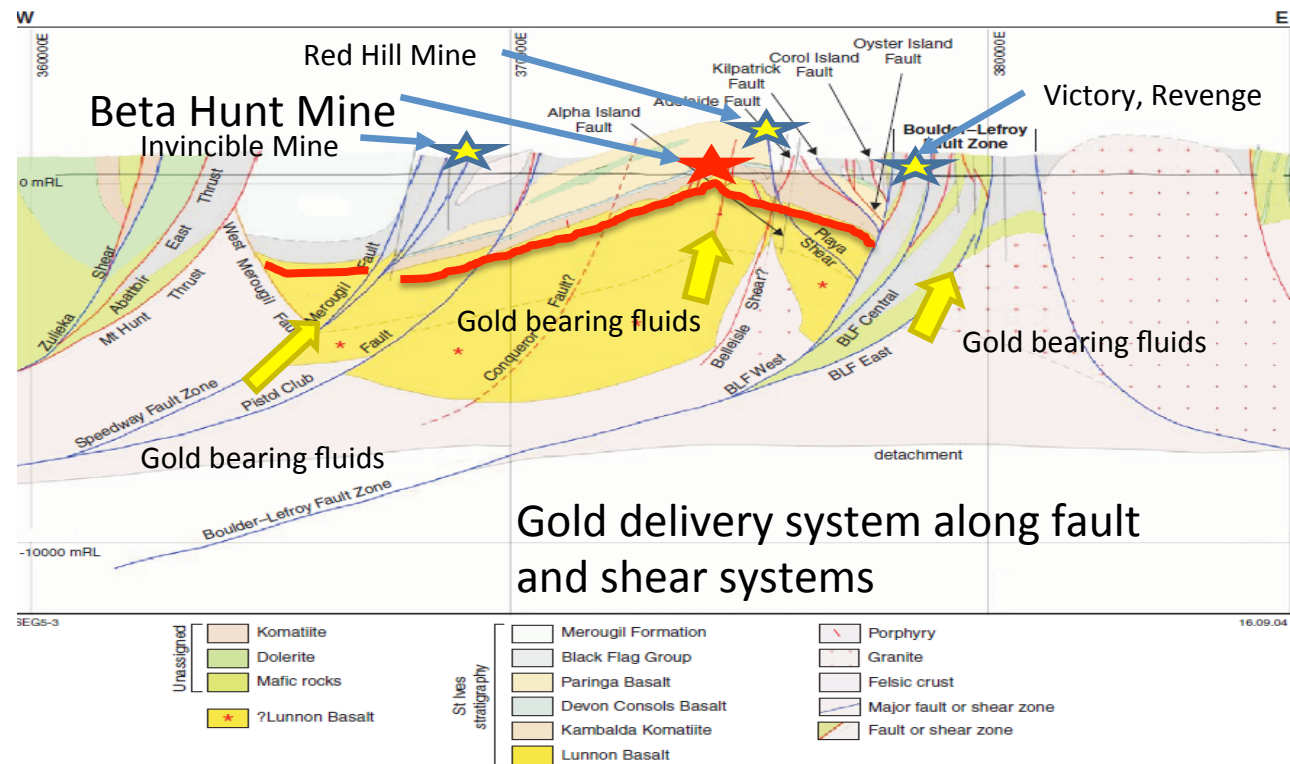
- Gold structures uncovered by ~675km of drilling that targeted nickel troughs on ultramafic/basalt contact over 40 years
- Very limited drilling greater than 100 m below contact where sediment/gold is located
- Pyritic interflow sediment horizon over 4 km of strike length
- Majority of specimen stone discovered on south side of Alpha Island Fault
- Specimen stone found in two areas now – nickel/sediment horizon and pyritic sediment



# Beta Hunt Mine: New Gold Mine in Kambalda Gold District



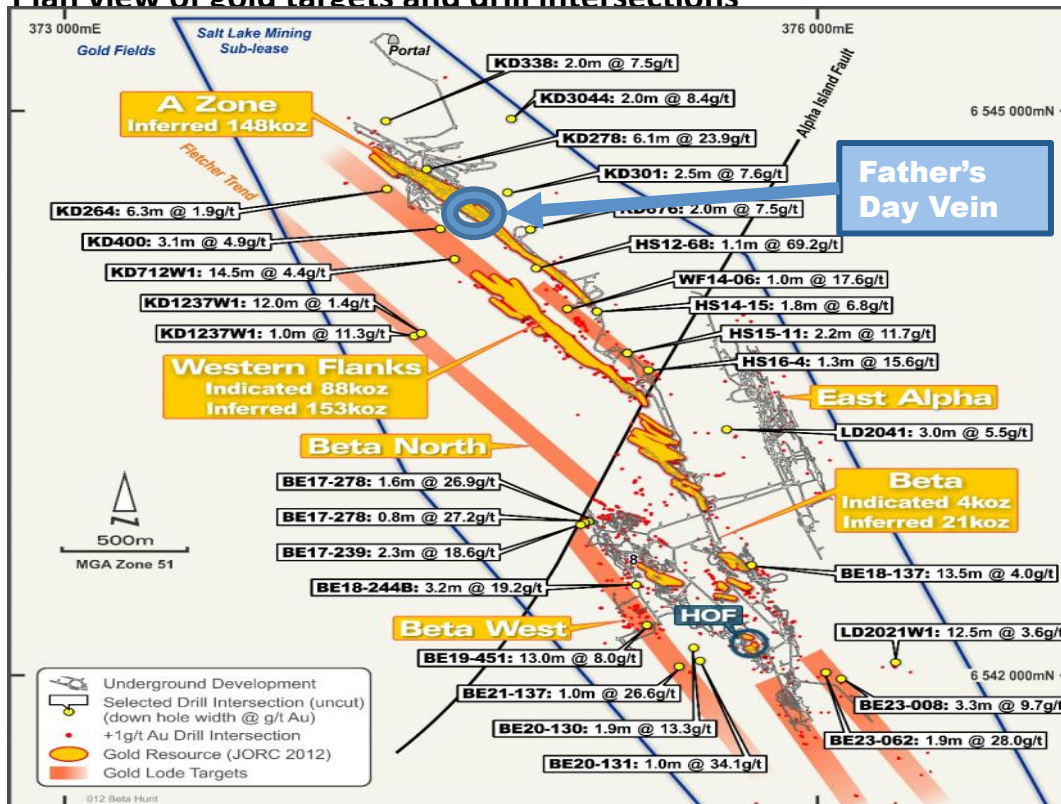
- Kambalda Dome brings Lunnon Basalt near surface at Beta Hunt
- Beta Hunt is the only gold mine operating in the Lunnon Basalt
- Deep shear structures provided pathway for gold bearing fluids
- Basalt extends for >1 km at depth
- Sediment layer just 150 metres below ultramafic contact
- Potential for repeating sediment structures at depth



 Upper-Lunnon Basalt Contact- Sediment layer

# Beta Hunt Mine: Potential For Extensions Along Strike & Depth, Parallel Structures

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

- Historic nickel drilling has a 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 successfully tested in August 2016 as a conceptual repeat of A Zone and Western Flanks and is defined by a 150 m fault offset from surface drilling and potential for additional trends
- Hand of Faith "HOF" specimens recovered in early 2016 are **more than 3km away, along strike and on a different shear** than Fathers Day Vein discovery



# Site Management Interpretation of Sediment Structures Over Past Year Led to This Sediment Discovery



The massive potential of these high grades structures has been unlocked by the team at site over the past year leading to the “Father’s Day Vein” discovery

	September 2017	June/July 2018	July/Aug 2018	Sept/Oct 2018
<b>High Grade Gold &amp; Location</b>	Specimen Gold Intersected associated with Pyritic Sediments on A Zone – 14Level Jumbo Development (740 ounces*)	Production mining in same location (A Zone-14Level) Significant amount of coarse gold (1,500 ounces*)	A Zone 15 Level Jumbo & Air Leg Development intercepted Pyritic Sediments- (177 ounces*)	Air Leg Cut taken off Jumbo drive to expose the Footwall contact (27-30,000 ounces*)
<b>Site Reaction</b>	Geology/Operations rethinking the deposition model of Specimen Gold “Fluid Wall Rock Interaction in an Archean Hydrothermal Gold Deposit: A Thermodynamic Model for the Hunt Mine, Kambalda-Fiona Neall, G. Niel Phillips”- Economic Geology-1987	First proof of interpretation may be correct that specimen gold is related to pyritic/ porphyry/ dilation zone	Further confirmation of interpretation	Awe-inspiring once-in-a-lifetime discovery (with significant potential for additional ounces)

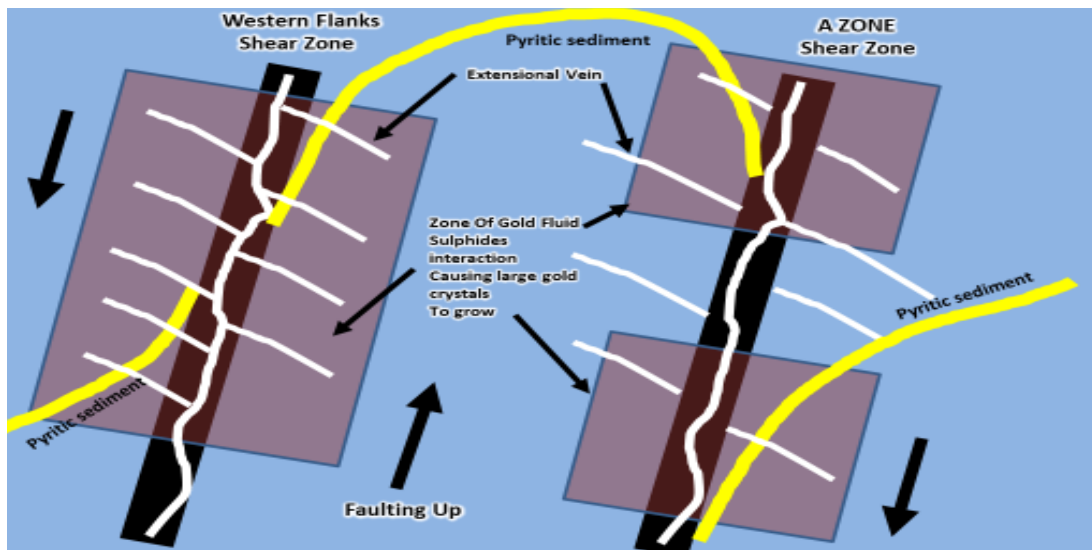
\*Estimated Ounces

# Beta Hunt – Upper/Lower Lunnon Basalt Pyritic Sediment Layer Interaction with Gold Shears



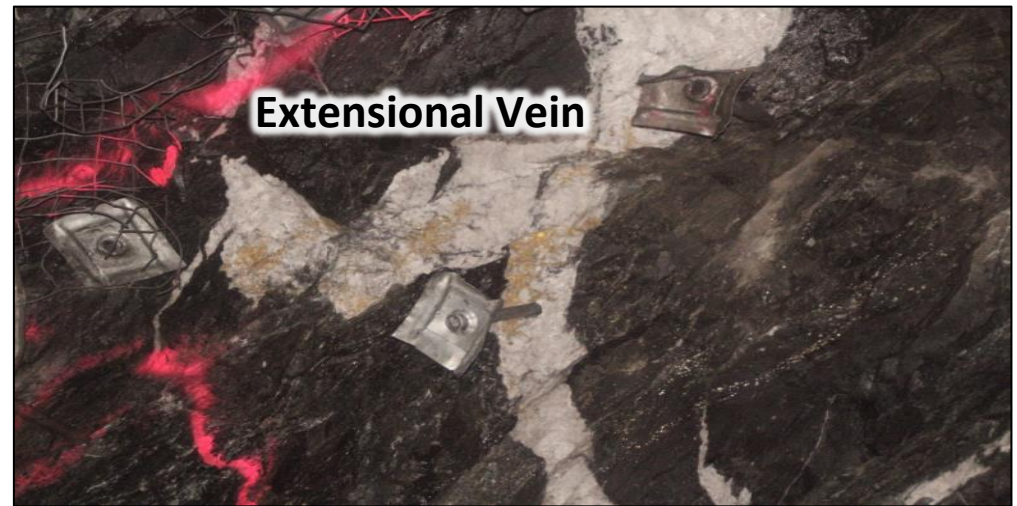
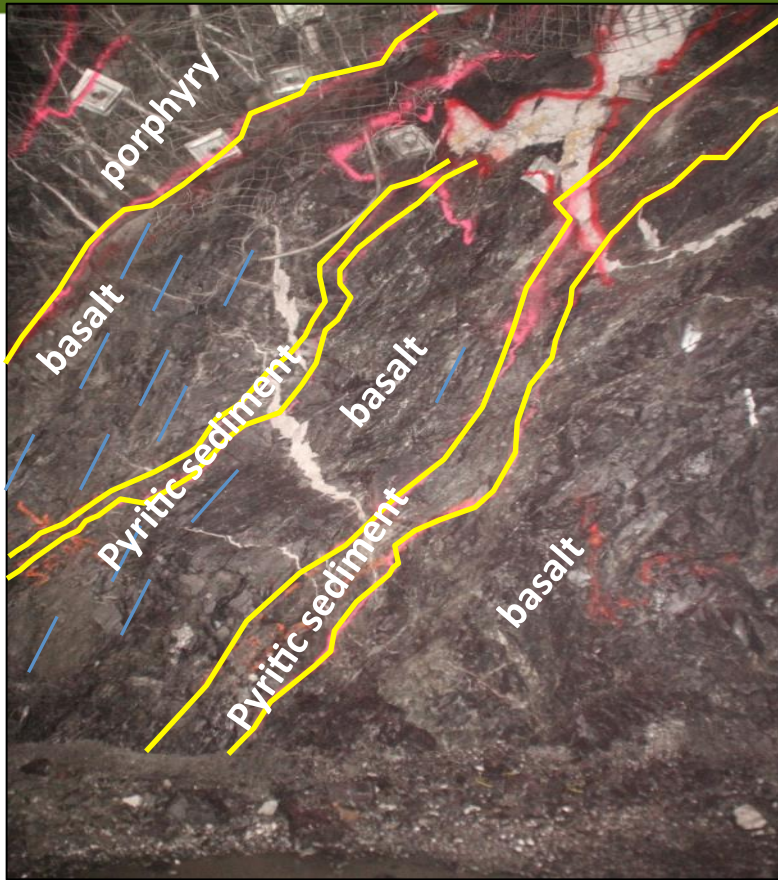
A preliminary model to understand these high grade gold structures at the Beta Hunt Mine has been developed and will be further refined as additional exploration and development continues

## Preliminary Simplified Structural model, showing Pyritic Sediments interface with A Zone & Western Flanks

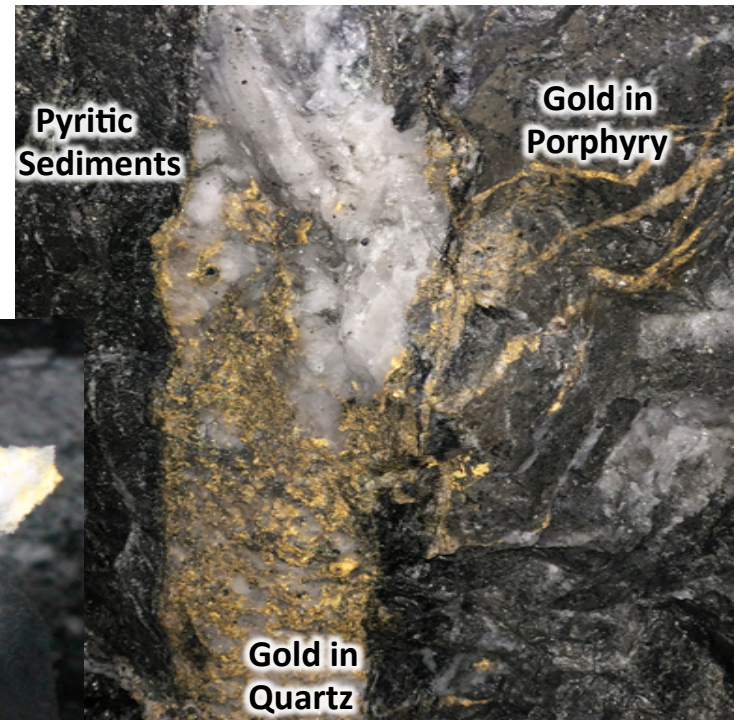


- D2 E-W compression formed what is called the Kambalda Dome
- D3 deformation event (gold event) caused further tightening of the folds
- Faulting and shearing has deformed the pyritic sediment layer
- Pulling down on one side, pushing up on other
- The zone which contains pyritic sediments is unknown, yet estimated to be 10 to 40m in length depending on the shear
- Technical team working to better understand relationship between pyritic sediments and gold bearing fluids

# Father's Day Vein – 15 Level – Intersection

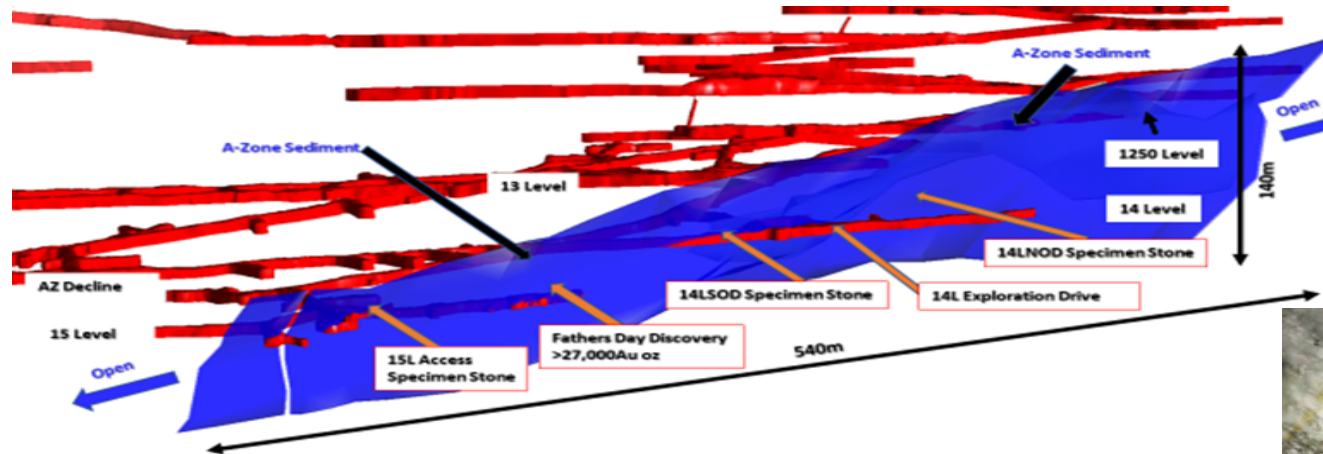


# AZONE 15L NOD Air Leg – Sediment related Specimen Stone



# High Grade Gold Structures Extended by 540 Meters From Father's Day Vein Discovery

Long Section of A Zone Workings Looking West, Showing Interpretation of Hanging Wall Sediments (Light Blue) and Footwall Sediments (Dark Blue)



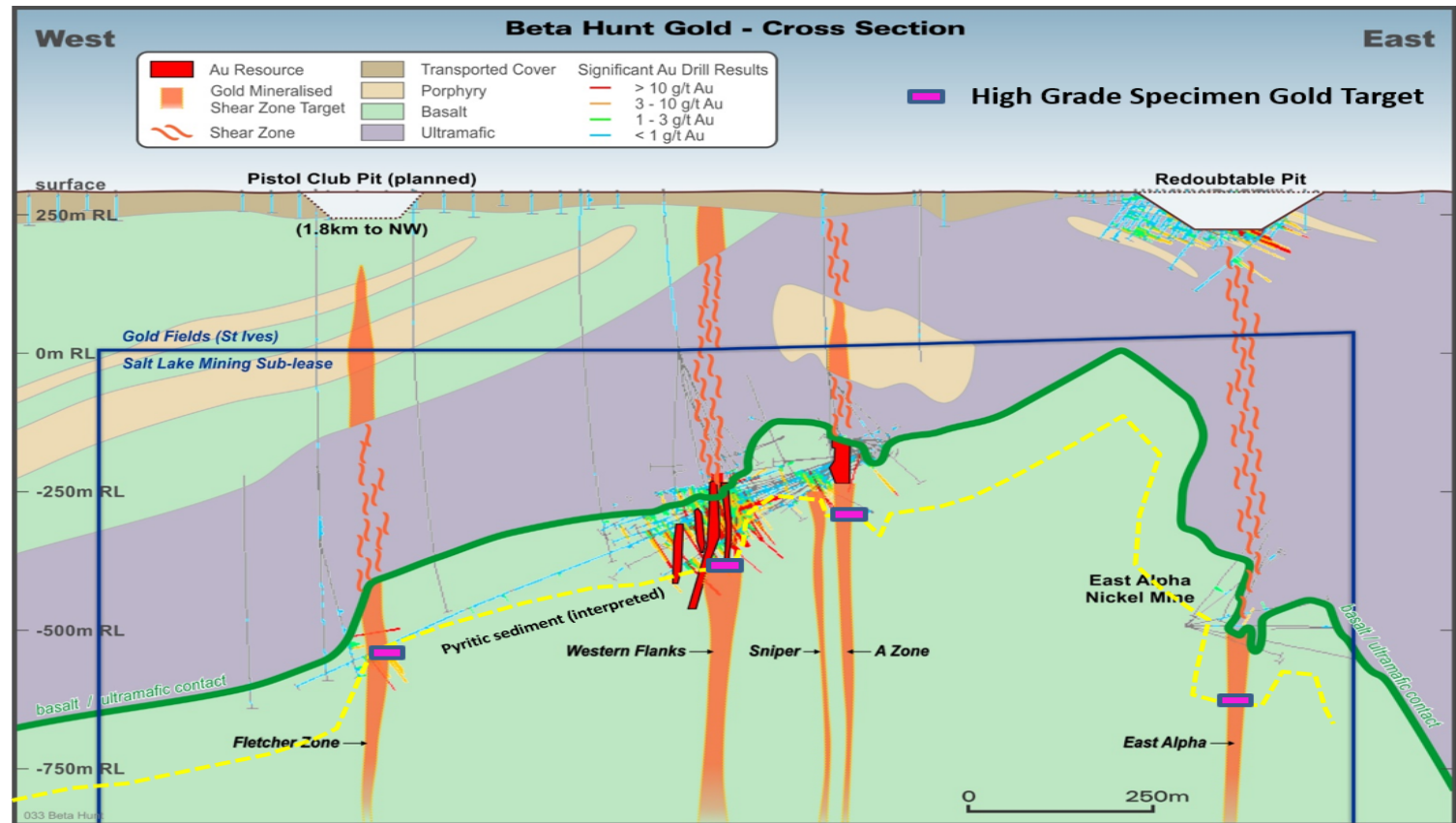
Visible Gold in Quartz Extensional Veining From Breakthrough Cut on 14 Level Exploration Drive



# Beta Hunt– Potential for High Grade Coarse Gold Intersections Across all Shear Zones

Drill planning/  
modelling  
needs re-thinking  
to take account  
of sediment  
horizon

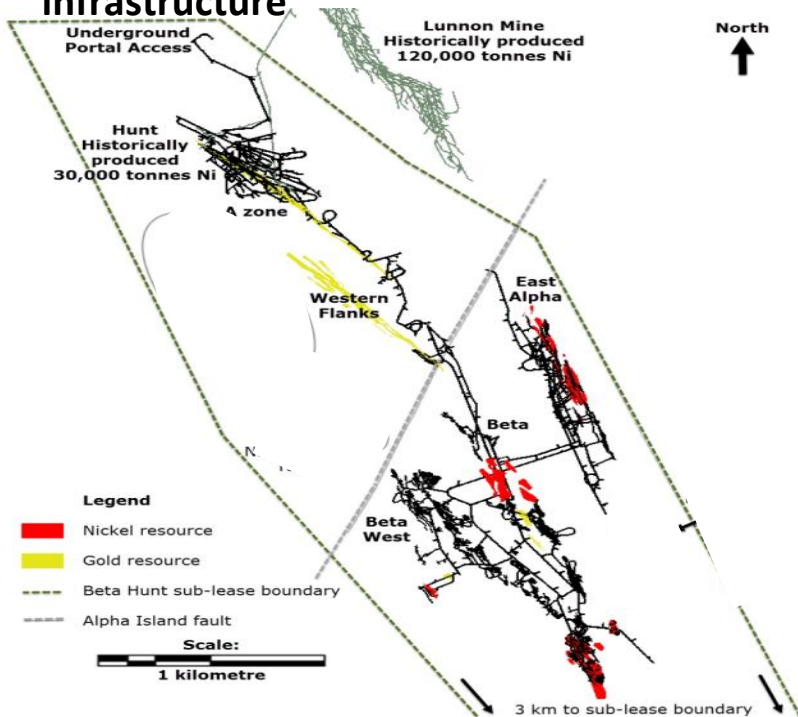
Potential  
combined  
strike length  
of 5-10  
kilometres  
(4 structures x  
~2km strike  
length)



# Beta Hunt Mine: Existing Ramp Infrastructure Provides Foundation for Future Growth Potential



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



- Significant infrastructure in place 5+ km underground ramp system
- Over \$100 million invested in mid-2000s to extend ramp system into East Alpha and Beta West area
- Significant potential for resource expansions at relatively low cost and in close proximity to mine infrastructure provide foundation for future growth

*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 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 – Father’s Day Vein Discovery

## Beta Hunt is a gold mine with tremendous exploration potential

- First company to unlock the Lunnon Basalt gold structures
- New discovery expected to lead to resource growth and potential for high grade coarse gold across all shear zones
- Well positioned to start large exploration program to improve overall resource grades
- Old areas to be followed up on: Sediment Zone/ porphyry and large fluid flow zones
- Grades are increasing with depth, first indicated with diamond drilling, then with Jumbo development and finally with the **“The Event”**
- 114 Dedicated Employees – management, technical services and operations – working together to leave a legacy for Western Australia

