

# RNC Minerals Secures US\$13 Million Financing

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Eliminates Majority of 2018 Debt Repayments  
Critical Step in Repositioning Dumont as Strategic Focus

TORONTO, May 31, 2018 /CNW/ - RNC Minerals (TSX: RNX) ("RNC") announced today that it has entered into a US\$13 million bridge financing facility (the "Facility") with Auramet International LLC ("Auramet") due May 15, 2019. The Facility will eliminate the majority of debt repayment commitments during 2018.

Mark Selby, President and CEO of RNC Minerals, said, "The Facility is a critical step in repositioning RNC's central strategy onto the advancement of the Dumont Nickel-Cobalt Project, which contains the world's largest undeveloped reserves of gold and nickel. The Facility provides tremendous balance sheet support and flexibility by eliminating the bulk of our debt repayments until May 2019, which will allow us to unlock significant capital during this period in three ways: by maximizing value from the Beta Hunt gold-nickel mine sale process, maximizing investments for Dumont that result from current discussions with potential investors, and accessing up to US\$12 million of undeployed capital in April 2019 from our joint venture with Waterton. With our balance sheet being addressed and the Beta Hunt Mine sale process well under way, our team looks forward to focusing our efforts on advancing and achieving a market re-rating for Dumont, one of the world's leading battery metals projects and a few large-scale, shovel-ready base metal projects."

## Auramet \$13 Million Bridge Financing Facility

The US\$13 million Facility with Auramet, due May 15, 2019, is repayable from certain capital raising events, including on completion of the Beta Hunt Mine (the first US\$5 million of net cash proceeds and 50% of net cash proceeds in excess of US\$5 million of net cash proceeds applied to prepay the Facility), and on an equity raise (50% of net proceeds in excess of C\$8 million of the RNC offering announced on today's date and 50% of net proceeds in excess of C\$5 million of subsequent equity raises will be applied to prepay the Facility). The prepayment provisions will allow RNC to pay down the Facility as rapidly as possible.

Proceeds from the Facility will be used to repay the existing senior secured gold loan and senior secured nickel loan and interest payments and fees for the Facility.

175 gold ounces per month will be payable in interest and will be reduced pro-rata for any prepayment made against the Facility. The interest cost is in line with the increased loan balance of US\$13 million, as compared to the current US\$5 million facility with a 115 ounce monthly gold coupon. The ability to prepay under the new Facility is an improvement over the gold coupon of the existing facility. Total debt service costs under the new facilities will be reduced to less than US\$250,000 per month from the current levels of approximately US\$1.5 million per month.

The completion of this Auramet debt extension is subject to certain conditions, including completion of the equity raise announced by RNC on today's date. RNC will pay to Auramet a C\$500,000 amendment fee in connection with this extension, to be paid in RNC shares issued at the same price as the shares to be issued by RNC on completion of the equity raise announced on today's date.

## Pala Investments Ltd Loan Facility

RNC has also reached agreement with Pala Investments Ltd ("Pala") to (i) prepay, subject to certain conditions, its current senior secured loan facility (with 25% of net proceeds in excess of C\$8 million of the RNC offering announced on today's date and 25% of net proceeds in excess of C\$5 million of subsequent equity raises), which, as required, would allow a more rapid paydown of the loan facility and (ii) acquire Pala's 2.25% royalty on nickel production from Beta Hunt (commencing in April 2019). This agreement with Pala is subject to the completion of the Auramet debt restructuring.

## About RNC Minerals

RNC is a multi-asset mineral resource company with a portfolio of gold and base metal production and exploration projects.

RNC's principal assets are the producing Beta Hunt gold and nickel mine in Western Australia, a 50% interest in a nickel venture with Waterton that holds the Dumont Nickel Project in the Abitibi region of Quebec, and a 29% stake in the project Mine in the Flin Flon-Snow Lake region of Manitoba, Canada. RNC also owns a 42% interest in [Orford Mining Corp.](#), an explorer focused on highly prospective and underexplored areas of Northern Quebec and the Carolina Gold Belt in United States. RNC has a strong management team and Board with over 100 years of mining experience at Inco and Falconbridge. RNC common shares trade on the TSX under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNC.

### Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information," including without limitation statements relating to the completion of financing, the liquidity and capital resources of RNC, production guidance and the potential of the Beta Hunt and Reedbank as well as the potential of the Dumont development project and Qiqavik, West Raglan, Jones-Keystone Loflin and Landrum exploration properties.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual 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: failure of the project to sign definitive agreements and satisfy conditions of closing; future prices and the supply of metals; the results of drilling operations; the amount of 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. 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, see 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 news release and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future results or otherwise, except as required by applicable securities laws.

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