

RNC Announces First Quarter 2019 Results

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RNC will host a call/webcast on May 15 at 10:00 a.m. (Eastern Time) to discuss 2018 results. North American callers please dial: 1-888-231-8191, international callers please dial: (+1) 647-427-7450. For the webcast of this event click [\[here\]](#) (registration information below).

TORONTO, May 15, 2019 - RNC Minerals (TSX: RNX) ("RNC") announces its financial results and review of activities for the first quarter and quarter ended March 31, 2019. All amounts are expressed in Canadian dollars, unless otherwise noted, and are based on unaudited condensed interim consolidated financial statements of RNC for the three months ended March 31, 2019 and for the same periods in 2018.

Mark Selby, President and CEO, commented, "2019 has begun strongly for RNC – the drilling campaign at Beta Hunt continued to deliver strong results in both Western Flanks and A Zone, the recently announced exercise of the option for the Higginsville operation provides a long-term processing solution for Beta Hunt while expanding our footprint in a prolific nickel province, and the Dumont feasibility study continues to advance towards release later this quarter – well-timed given the increasing market interest in nickel and its critical role in the electric vehicle revolution. The financial performance in the first quarter reflects the combination of the previously announced planned temporary shutdown of mining activities at Beta Hunt, which significantly reduced production during the quarter and our investment in resource drilling which was running at full scale during the quarter.

Highlights

Quarterly gold production: Gold mined production for the first quarter totaled 3,716 ounces compared to 13,780 ounces for the first quarter of 2018. Production was lower due to the planned temporary ramp down of bulk mining during the first phase of the 40,000 meter drilling program. The gold mined grade in the first quarter was 3.36 g/t, 32% higher than in the first quarter of 2018.

Restart of gold and nickel production: Limited restart of bulk gold mining is well underway at Beta Hunt. By the end of April the restart had already achieved a 40,000 ounce annualized run rate. Nickel production has also resumed and will continue to flow going forward.

Father's Day Vein: Development is now sufficiently advanced to allow mining activities to begin underneath the Father's Day Vein Discovery on 16 Level. This development will target a 1,406 g/t intersection sitting just 7 metres below the Father's Day Vein.

Exceptional exploration results: Results from the 40,000 metre drill program that was initiated in the fourth quarter of 2018 have been positive. RNC is on track to complete a resource update by the end of the second quarter of 2019 and will shift its focus from resource definition to a broader exploration campaign to test the substantial exploration potential of each of the shears on the property. Highlights from assays received to-date include (all drill intervals quoted are true thicknesses):

- 1,017 g/t over 2.00 m, including 7,621 g/t over 0.27 m in hole WFN-029
- 395.9 g/t over 4.75 m, including 2,210 g/t over 0.85 m in hole WFN-063
- 468 g/t over 0.21 m in hole AZ13-156
- 119 g/t over 6.40 m, including 1,406 g/t over 0.50 m in hole AZ15-013
- 16.8 g/t over 27.8 m, including 748 g/t over 0.53 m in hole WFN-071

Financing: Subsequent to the end of the first quarter, RNC closed a \$12.0 million bought deal financing to assist in funding exploration activities, the proposed acquisition of the Higginsville Gold Operations ("HGO") from [Westgold Resources Limited](#) ("Westgold") and general corporate purposes. Cash and cash equivalents including specimens at March 31, 2019 was \$12.0 million.

HGO Acquisition – On May 13, RNC announced that it had exercised the previously-announced (see RNC news release dated March 26, 2019) purchase option to acquire HGO from Westgold. On closing, RNC will pay Westgold A\$25 million in cash and A\$21 million in RNC shares (satisfied by the issuance of 49.8 million RNC shares), for total consideration of A\$50 million (including the A\$4 million deposit previously satisfied in RNC shares). RNC expects to finance the cash component of the purchase price with cash on hand and additional non-dilutive capital. The acquisition is expected to close on or about June 10, 2019.

Table 1: Summary of Full Year 2018 Financial Results

(in thousands of dollars except per share amounts)

| For the three months ended March 31 | 2019 | 2018 |
|--|-----------|----------|
| Revenue | \$10,863 | \$21,425 |
| Production and toll-processing costs | 8,259 | 20,636 |
| Loss before income taxes | (3,289) | (12,691) |
| Net loss | (3,289) | (12,549) |
| Basic and diluted loss per share | (0.01) | (0.04) |
| Adjusted EBITDA ¹ | (1,866) | (2,137) |
| Adjusted EBITDA per share ¹ | (0.00) | (0.01) |
| Cash flow used in operating activities | (5,518) | (4,049) |
| Cash investment in property, plant and equipment | \$(5,982) | \$(275) |

1. Earnings before interest, taxes, depreciation and amortization ("EBITDA") is a non-IFRS measure: A definition and reconciliation of these measures are included in the Non-IFRS Measures section of RNC's MD&A dated May 14, 2019.

Operations / Projects

Table 2: Summary for the Three Months Ended March 31, 2019 and 2018 Operating Results

| | Three months ended, | |
|--|---------------------|-----------|
| For the periods ended March 31, | 2019 | 2018 |
| Gold (Beta Hunt Mine) | | |
| Tonnes mined (000s) | 34 | 169 |
| Gold mined, grade (g/t gold) | 3.36 | 2.54 |
| Gold mined – coarse gold / specimens (ounces) | 69 | 381 |
| Gold mined (ounces) | 3,647 | 13,399 |
| Total gold mined (ounces) | 3,716 | 13,780 |
| Recovery (%) | 94% | 90% |
| Gold sales (oz) | 6,375 | 7,978 |
| Average realized price (US\$/oz sold) | 1,279 | 1,333 |
| Development metres – operating | 331 | 960 |
| Development metres – capital | 594 | 493 |
| Mining cash cost (US\$/oz mined) ¹ | \$1,180 | 812 |
| Cash operating costs (US\$/oz sold) ¹ | \$1,076 | 1,502 |
| All-in sustaining cost (AISC) (US\$/oz sold) ¹ | \$1,174 | 1,594 |
| Nickel ³ (Beta Hunt Mine) | | |
| Tonnes mined (000s) | - | 7.8 |
| Nickel mined, grade (%) | - | 1.89 |
| Nickel in concentrate (kilo tonnes) | - | 0.14 |
| Average realized price (US\$ per pound) | | 6.68 |
| Cash operating cost (US\$ per pound sold) | - | 4.54 |
| All-in sustaining cost (AISC) (US\$ per pound sold) ¹ | - | 4.55 |
| Copper ² (Reed Mine) | | |
| Copper in concentrate (kilo tonnes) | - | 93 |
| Cash operating cost (US\$ per pound sold) | - | 0.51 |
| All-in sustaining cost (AISC) (US\$ per pound sold) ¹ | - | 0.54 |
| Adjusted EBITDA ^{1,4} | \$(1,866) | \$(2,137) |
| Adjusted EBITDA per share ¹ | \$(0.00) | \$(0.01) |

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of this MD&A.
2. RNC's share of production from the Reed Mine ceased commercial production in July 2018.
3. No economic quantity of nickel was mined during the first quarter of 2019.
4. Earnings before interest, taxes, depreciation and amortization ("EBITDA")

Highlights of RNC's financial position are as follows (in millions of dollars):

| As at | March 31, 2018 | December 31, 2018 |
|--------------------------------------|----------------|-------------------|
| Cash and cash equivalents | \$0.8 | \$1.3 |
| Working capital deficit ¹ | (14.2) | (19.0) |
| Property, plant and equipment | 31.3 | 24.5 |
| Total assets | 67.7 | 58.0 |
| Total liabilities | 30.9 | 31.9 |
| Shareholder's equity | \$36.7 | \$26.1 |

¹ Working capital deficit is a measure of current assets (including cash and cash equivalents) less current liabilities.

Operations / Projects

Beta Hunt Mine

The Corporation announced a significant high-grade gold discovery (Father's Day Vein) at the Beta Hunt Mine in the third quarter of 2018.

Following the Father's Day Vein discovery, the Corporation announced that it initiated a 40,000 metre drill program at Beta Hunt. The objective of this program is to upgrade and expand the gold resource at Beta Hunt and delineate the Father's Day Vein style high grade gold mineralization. A resource update is anticipated at the end of the second quarter of 2019.

Underground development will also be completed to provide access to the newly discovered sediment layers, support current and future exploration programs, and facilitate production of coarse gold using smaller scale mining methods. Beta Hunt's gold resource potential is underpinned by four gold shears with gold intersections across a 4 km strike length which remains open at depth and along strike adjacent to the existing 5 km ramp network.

In order to deliver the first phase of the exploration plan, the Corporation temporarily ramped down bulk production mining in November 2018 to allow RNC to adequately drill off the main shear zone resources and complete an updated resource estimate.

Late in the first quarter of 2019, the Corporation announced the drilling program has sufficiently advanced to allow for commencement of a limited restart of bulk mining in areas with mine development already in place. The timing for a full ramp-up decision has remained the same and will be based on completion of the resource update expected by the end of the second quarter of 2019. The Corporation has also restarted

nickel mining at Beta Hunt which will contribute to cash flow.

Exploration drilling planned for later in 2019 will target parallel shears and the southern side of the Alpha Island Fault where the majority of the previous nickel mining had been undertaken.

On January 22, 2019, February 25, 2019 and May 2, 2019, the Corporation reported drilling updates. Results from drilling completed have provided further confirmation of the potential for the areas of intersection between the mineralized shears and property-wide Lunnon sediment layer for further high-grade coarse gold discoveries. High-grade intersections from the 40,000 metre drill program reported to date include (all drill intervals quoted are true thicknesses):

- 1,017 g/t over 2.00 m, including 7,621 g/t over 0.27 m in hole WFN-029
- 395.9 g/t over 4.75 m, including 2,210 g/t over 0.85 m in hole WFN-063,
- 468 g/t over 0.21 m in hole AZ13-156
- 119 g/t over 6.40 m, including 1,406 g/t over 0.50 m in hole AZ15-013
- 16.8 g/t over 27.8 m, including 748 g/t over 0.53 m in hole WFN-071

Thick drill intersections in the Western Flanks (including: 3.07g/t over 39.13 metres (including 5.24 g/t over 7.05 metres and 4.49 g/t over 10.09 metres) in hole WFN-065, 3.13 g/t over 16.86 metres (including 11.66 g/t over 2.67 metres) and 3.03 g/t over 18.89 metres (including 4.75 g/t over 4.61 metres) in hole WFN-058, and 4.17 g/t over 19.14 metres (including 8.92 g/t over 3.58 metres) and 4.63 g/t over 7.61 metres in hole WFN-045) illustrate the nature of the Western Flanks as a thick, variably mineralized shear zone. These intersections all lie to the north of and outside of the existing Western Flanks resource and provide strong potential for significant additions to the resource.

Drilling to the north of the Western Flanks zone has shown that the thick relatively continuous mineralization extends at least 150 m beyond the current resource model and remains open both along strike and at depth (see figure 2). Drill holes like WFN-049 and WFN-040 (results below) that occur at the northernmost edge of Western Flanks drilling have extended the thick mineralized system over 150 m beyond the edge of the current resource and illustrate the potential for significant additions to the resource.

- WFN-049 – 3.04 g/t over 16.42 m (including 17.8 g/t over 0.93 m) and 2.5 g/t over 16.42 m (including 3.6 g/t over 0.54 m and 6.7 g/t over 2.54 m);
- WFN-040 – 4.7 g/t over 17.06 m (including 29.6 g/t over 0.54 m and 21.0 g/t over 0.78 m) and 4.5 g/t over 17.06 m (including 10.7 g/t over 2.34 m).

The latest drill results at A Zone are from drill holes designed to increase the confidence in the shear-hosted resource at depth and to the south as well as expand the resource in these directions.

Dumont Nickel-Cobalt Project

Dumont remains one of the world's premier battery metal projects. Dumont contains the world's largest undeveloped reserves of nickel and second largest undeveloped reserves of cobalt. As one of the only large-scale fully permitted, shovel-ready nickel-cobalt projects globally, Dumont is ideally positioned to deliver the nickel and cobalt required to meet the massive demand growth expected from both the stainless steel markets and the EV market in the coming decade.

RNC has a 28% interest in Dumont and manages the project on behalf of the Dumont JV.

The results of the updated feasibility study are expected to be announced in the second quarter of 2019.

Orford Mining Corporation

RNC holds a 33% equity interest in [Orford Mining Corp.](#). Orford owns all of the assets of RNC's former subsidiary, True North Nickel, including the Qiqavik Gold and West Raglan Nickel projects in Northern Quebec. Planning is currently under way for the 2019 exploration season at Orford's Qiqavik gold property in Northern Quebec. On May 9, 2019, Orford announced that [Alamos Gold Inc.](#) has agreed to become a

strategic investor in Orford through a non-brokered private placement. Upon completion of the private placement, it is anticipated that Alamos will initially own a total of 14.8 million common shares of Orford, or 19.3% of its issued and outstanding common shares. The private placement is anticipated to close on or before May 22, 2019 and is subject to receipt of applicable regulatory approvals, including approval of the TSX Venture Exchange.

Financial Results

For the three months ended March 31, 2019, revenues decreased by \$10.6 million, or 49.3%, of which \$6.3 million was due to the decommissioning of the Reed Mine during the third quarter of 2018 and the planned shutdown of mining activities at Beta Hunt which resulted in an overall decrease in gold and nickel production which contributed to decreased revenue of \$4.3 million. Operating loss for the three months ended March 31, 2019 improved by \$5.1 million compared to the same three month period 2018. The primary difference is due to an increase in gold operating income of \$6.8 million at the Beta Hunt mine. Partially offsetting this increase was a decline in Reed Mine of \$2.2 million as discussed above.

RNC's ability to operate as a going concern is dependent on its ability to raise financing. While management has been successful in securing financing in the past, there can be no assurance that adequate or sufficient funding will be available in the future, or available under terms acceptable to RNC.

Conference Call / Webcast

RNC will be hosting a conference call and webcast today beginning at 10:00 a.m. (Eastern time).

Live Conference Call and Webcast Access Information:

North American callers please dial: 1-888-231-8191

Local and international callers please dial: 647-427-7450

A live webcast of the call will be available through Cision's website at:

<http://cnw.en.mediaroom.com/events>

A recording of the conference call will be available for replay for a one week period beginning at approximately 1:00 p.m. (Eastern Time) on May 15, 2019, and can be accessed as follows:

North American callers please dial: 1-855-859-2056; Pass Code: 3682948

Local and international callers please dial: 416-849-0833; Pass Code: 3682948

About RNC Minerals

RNC has a 100% interest in the producing Beta Hunt gold mine located in Western Australia where a significant high grade gold discovery - "Father's Day Vein" - was made. RNC is currently completing a 40,000 metre drill program, the results of which will be incorporated into an updated NI 43-101 compliant Mineral Resource Estimate targeted for Q2 2019. Beta Hunt gold resource potential is underpinned by multiple gold shears with gold intersections across a 4km strike length which remain open in multiple directions adjacent to an existing 5km ramp network. RNC also has a 28% interest in a nickel joint venture that owns the Dumont Nickel-Cobalt Project located in the Abitibi region of Quebec which contains the second largest nickel reserve and eighth largest cobalt reserve in the world. RNC owns a 33% interest in [Orford Mining Corp.](#), a mineral explorer focused on highly prospective and underexplored areas of Northern Quebec. RNC has a strong management team and Board with over 100 years of mining experience. RNC's common shares trade on the TSX under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNKLF.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the liquidity and capital resources of RNC, production guidance and the potential of the Beta Hunt Mine and Dumont Nickel & Cobalt Project.

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; results of exploration programs; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash operating 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, including the most recent Annual Information Form, available on SEDAR at 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 events or results or otherwise, except as required by applicable securities laws.

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