

# **RNC Minerals Provides Production and Cost Guidance and Positive Operational Update**

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## Summary

- Guidance for the second half 2019:
  - Production 42,000-49,000 oz
  - AISC US\$1,150-\$1,250 per oz
- Mining of Baloo Stage 1 & growing pit pipeline &ndash; Baloo Stage 1 mining is performing well and meeting expectations. Results from grade control drill program have identified additional mineralised material that is expected to extend mining into the first quarter of 2020. Mining approval applications for Baloo Stage 2 remain on track for submission in the fourth quarter. In addition to Baloo, a second open pit is fully permitted and available for immediate mining as part of the growing pipeline of open pits.
- Exploration - Drilling north of a major fault previously thought to truncate the main Baloo mineralization has returned positive results, including 8.7g/t over 3 m from 63 m downhole<sup>1</sup> in drill hole BLOR003 (see below for additional drill results). These results demonstrate the potential to extend the Baloo open pit to the north, with additional follow-up drilling planned for the fourth quarter.
- New Beta Hunt Reserve - Remains on track to be completed in the fourth quarter of 2019.
- Re-sampling Historic Beta Hunt Drill Holes &ndash; This project has identified a number of new intersections that will extend known mineralised areas, including<sup>2</sup>:
  - WFN-034 &ndash; 3.2 g/t over 4.9 m
  - WFN-042 &ndash; 6.6 g/t over 1.4 m

<sup>1</sup> Drilling intervals reported for Western Flanks are estimated true thickness.

<sup>2</sup> Drilling intervals reported for Baloo are down-hole lengths. True thickness cannot be estimated with available information.

TORONTO, Oct. 15, 2019 - RNC Minerals (TSX: RNX) ("RNC" or the "Company") is pleased to announce that for the second period ending December 31, 2019, management is targeting production of between 42,000 to 49,000 ounces of gold at an all-in-sustaining-cost (AISC)<sup>3</sup> of US\$1,150 to US\$1,250 per ounce.

<sup>3</sup> Non-IFRS: the definition of these measures are included in the Non-IFRS Measures section of RNC's MD&A dated August 14, 2019.

Paul Andre Huet, Chairman & CEO, commented: "This is the first time, since completion of the Beta Hunt drilling campaign and acquisition of Higginsville Gold Operations ("HGO") mine and mill, that the Company has provided production and cost guidance demonstrating our commitment to keeping shareholders informed and more clearly able to measure our performance. As previously communicated, our focus moving forward remains on delivering on our production guidance, while continuing to manage costs through all levels of our business. Third quarter 2019 production of 24,216 ounces is an excellent result for RNC's third quarter of production since acquiring the Higginsville Gold Operation (HGO). We look forward to continuing the momentum in the fourth quarter and building on what has already been a great start. At Baloo, we are encouraged by ongoing exploration to the north and additional results to the east of the current pit, both of which have the potential to extend the current open pit."

Mr Huet also noted, "At Beta Hunt, our maiden reserve estimate, based upon our updated resource estimate announcement, remains on track for delivery in the fourth quarter. This will be a meaningful step forward for the Company and will position us to deliver our 2020 production and cost guidance to the market early next year, as is industry standard."

Mining of Baloo Stage 1 is performing well to expectations. A grade control drill program in the northern end of the pit has identified additional mineralised material east of the area where the Company is currently mining. This material, which can be accessed by a small cut back, is expected to extend Stage 1 mining into the first quarter of 2020.

Baloo Stage 2 mining approvals remain on track to be submitted to the appropriate authorities in the fourth quarter of 2019.

Exploration drilling comprised of five reverse circulation (RC) drill holes north of a major fault (Buldania Fault) previously thought to truncate the main Baloo mineralization, has intersected strong mineralization including 8.7 g/t over 3 m from 63 m downhole BLOR003. Further drilling is expected to be conducted over the fourth Quarter to determine the full extent of mineralization.

As part of the growing pipeline of open pits, a second fully permitted open pit is available for immediate mining upon the completion of current mining at Baloo, providing additional flexibility to the Higginsville operations.

Table 1: Baloo North - RC drilling significant (> 1g/t Au) drill results from exploration drilling program September 2019 [NTD: Need balanced disclosure (not just the good).]

Target	Hole ID	From (m)	To (m)	Interval (downhole m) <sup>1</sup>	Gold (g/t) <sup>2</sup>
Baloo Fault Offset	BLOR0003	63	66	3	8.7
		101	102	1	3.9
Baloo Mission Fault	BLOR0004	31	32	1	1.2

<sup>1</sup> Drilling intervals reported for Baloo are down-hole lengths. True thickness cannot be estimated with available information

<sup>2</sup> Un-cut gold assays

A comprehensive review of the large existing historical HGO resource base has commenced. To date, the review has identified a number of potential areas for follow up drilling which have the potential to provide additional long-term feed to the HGO processing plant.

At Beta Hunt, work on the new Beta Hunt mine reserve remains on track to be completed in the fourth quarter of 2019. This work has also identified a number of bulk mining opportunities which have the potential to improve productivity and lower costs.

A review of historic drill holes at Beta Hunt (involving assaying of previously un-sampled drill core) has returned encouraging results. The reviewed intersections have confirmed, and in some cases extended, known areas of Western Flanks or A Zone mineralization. Selected intersections include:

- WFN-034 &ndash; 3.2 g/t over 4.9 m
  - WFN-042 &ndash; 6.6 g/t over 1.4 m
  - WF13-11 &ndash; 1.7 g/t over 5.0 m
- Note: Widths reported for Western Flanks are estimated true thickness.

This review work has been expanded to include potential nickel targets located adjacent to existing infrastructure which could potentially provide near and medium term by-product nickel credits.

Table 2: Beta Hunt - re-sample project, historical drill core, assay results (> 1g/t Au), September 2019

Location	Hole ID	From To (m) interval		Estimated Gold	
		(m)	(down- true hole m) thickness	(g/t) <sup>1</sup>	(m)
Western Flanks WFC325-057	8	1	1	1.35	
	30.2	31	0.8	0.8	1.44
	33.5	34.3	0.8	0.8	1.57
Western Flanks WF13-11	0	0.85	0.85	0.85	1.31
	18	19.2	1.2	1.2	1.57
	24	29	5	5	1.73
Western Flanks WFN-034	116.5	117.2	0.7	0.6	3.21
	119.5	122.6	3.1	2.5	2.03
	132.2	138.2	6	4.9	3.22
Western Flanks WFN-031	107	108	1	0.8	2.32
	109.5	110.2	0.7	0.6	2.32
Western Flanks WFN-042	110	111	1	0.6	1.21
	114	115	1	0.6	3.74
	117.9	119.6	1.7	1.4	6.62

1. Un-cut gold assays

#### About RNC Minerals

RNC is currently focused on the integration of its Beta Hunt Gold Mine with its recently acquired Higginsville Gold Operation ("HGO") in Western Australia. The robust Beta Hunt gold mineral resource is underpinned by multiple gold shears with gold intersections along a 4 km strike length which remains open in multiple directions. The gold mineral resource is adjacent to an existing 5 km ramp network. RNC has a 100% interest in HGO, which is comprised of a low cost 1.4 Mtpa gold mill and a substantial portfolio of gold tenements. In addition, RNC has a 28% interest in a nickel joint venture that owns the Dumont Nickel-Cobalt Project located in the Abitibi region of Quebec. Dumont contains the second largest nickel reserve and ninth largest cobalt reserve in the world. RNC also owns a 24% interest in [Orford Mining Corp.](#), a mineral explorer focused on highly prospective and underexplored areas of Northern Quebec. RNC has a strong Board and management team focused on delivering shareholder value. RNC's common shares trade on the TSX under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNKLF.

#### Compliance Statement (JORC 2012 and NI 43-101)

The disclosure of scientific and technical information contained in this news release has been reviewed and approved by Stephen Devlin, Vice-President, VP Exploration & Growth, Salt Lake Mining Pty Ltd, a 100%

owned subsidiary of RNC, a Qualified Person for the purposes of NI 43-101.

At Beta Hunt Mine drill core sampling was conducted by RNC personnel. Samples are shipped to SGS Mineral Services of Kalgoorlie for preparation and assaying by 50 gram fire assay analytical method. First sample of each sample submission incorporates a barren rock sample as a flush to clean the lab crusher and pulveriser and as a check for contamination. Analytical accuracy and precision are monitored by the analysis of insertion of additional blank material and certified standards. The lab is also required to undertake a minimum of 1 in 20 wet screens on pulverised samples to ensure a minimum 90% passing at -75µm.

At the Higginsville Gold Operation reverse circulation chip sampling was conducted by RNC personnel. Samples are transported to Bureau Veritas Minerals Pty Ltd of Kalgoorlie and Perth for preparation and assaying by 40 gram (approx.) fire assay analytical method. Analytical accuracy and precision are monitored by the analysis of duplicates, additional blank material and certified standards inserted in the sample stream. Samples are weighed as received, dried and split to less than 3kg then pulverised by LM-5 to ensure a minimum 90% passing at -75µm.

#### 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 and cost guidance and the potential of the Beta Hunt Mine, Higginsville Gold Operation 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](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 events or results or otherwise, except as required by applicable securities laws.

#### Cautionary Statement Regarding the Beta Hunt Mine and Higginsville

The decision 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, which include 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 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. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions. It is further cautioned that mineral resources are not mineral reserves and do not have demonstrated economic viability.

A production decision at the Higginsville gold operations was made by previous operators of the mine, prior to the completion of the acquisition of the Higginsville gold operations by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision were 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, which include 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 anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

SOURCE RNC Minerals

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