

RNC MINERALS

Q3 2016 Results

November 14, 2016



TSX:RNX

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 the liquidity and capital resources of RNC, production and cost guidance, the potential of the Beta Hunt and Reed mines, and the potential of the Dumont, West Raglan and Qiqavik projects..

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.

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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.

Q3 Overview

- Another strong quarter from Reed Mine
- Exciting high grade gold-copper discoveries at our Qiqavik project – JV/spinout advancing
- Replacement of the Lascaux financing facility and its 3% NSR on gold production from Beta Hunt with a comprehensive financing solution from Auramet International LLC (“Auramet”).
 - This financing provides near-term operating flexibility (no repayments until February 28, 2017) and a low cost working capital facility that will support our aggressive ramp-up of mine exploration and production.
- Closed a \$9.2 million bought deal private placement and Eric Sprott became largest shareholder (10%)
- Mined gold production from Beta Hunt came in lower than expected during the quarter as one-time issues in two stopes emerged late in the quarter and resulted in lower grades and lower volumes than expected
- Management at the Beta Hunt Mine was replaced in October. New leadership has already accelerated development to achieve annualized gold production rates of 60,000 oz per annum early in Q1 2017 and deliver gold production in 2017 in excess of 60,000 ounces.
- The recent significant improvement in copper and nickel prices has very positive implications for RNC and highlights the benefits of our portfolio diversity
 - RNC has received significant inbound interest for equity investment in the Dumont Nickel Project for the first time since the decline in nickel prices in 2014
 - Flexibility to consider nickel production at Beta Hunt once gold production successfully ramped up
- RNC has put in place a \$US 2.5 million unsecured debt facility to ensure the company has sufficient cash cushion until the Beta Hunt Mine becomes cash positive, expected in early Q1 2017

- Beta Hunt gold sales up 40% to 7.6 koz, mined gold production fell 7% to 7.4 koz, compared to Q2
- Strong quarter from Reed Mine
 - 30% proportionate share of copper and gold production from Reed was 2.8 Mlb (1.3 kt) and 320 ounces, respectively for Q3
 - Contribution and bridge loan balances (net of related receivables) owed to Hudbay now expected to be zero during the second quarter of 2017, rather than the third quarter at current prices
- Total bridge and contribution loan balance payable to Hudbay was \$7.6 million at Sep 30, 2016, down from \$10.0 million at June 30, 2016 (net of receivables)¹
- Adjusted EBITDA from Beta Hunt and the Reed Mine was \$(0.6) million for the quarter

1. The contribution loan balance and bridge loan balances owing to Hudbay as at September 30, 2016 were, respectively, \$10.0 million and \$3.4 million (\$13.6 million and \$3.4 million as at June 30, 2016). Total loan balance as at September 30, 2016 was \$13.4 million (\$17.0 million as at June 30, 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 September 30, 2016 was \$5.8 million (\$7.0 million as at June 30, 2016). Net of this receivable, the total contribution loan and bridge loan balance as at September 30, 2016 would be \$7.6 million (\$10.0 million as at June, 2016).

	Q3 2016	Q2 2016	Q1 2016
Production^{1,2}			
Gold Mined(ounces)	7,414	8,001	5,955
Nickel (kt)	0.3	0.4	0.8
Copper (kt)	1.3	1.5	1.1
Cash cost (units sold)			
Gold (US\$/ounce) ³	\$997	\$826	n/a
Nickel (US\$/lb) ³	\$5.90	\$3.67	\$2.63
Copper (US\$/lb) ⁴	\$1.40	\$1.21	n/a
All-in sustaining cash cost (units sold)			
Gold (US\$/ounce) ³	\$1,305	\$1,269	n/a
Nickel (US\$/lb) ³	\$6.19	\$3.88	\$2.83
Copper (US\$/lb) ⁴	\$1.47	\$1.35	n/a
Cash (C\$ millions)	\$10.0	\$9.7	\$7.2

1. Contained metal in concentrate.

2. Gold production includes RNC's 30% share of Reed production of 320 oz in Q3, 402 oz in Q2 and 319 oz in Q1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Nickel production is 100% from the Beta Hunt Mine and copper production is RNC's 30% share of Reed Mine production

3. Nickel and gold cash cost and all-in sustaining cost are per unit sold for the Beta Hunt Mine only.

4. Copper cash cost and all-in sustaining cost are for RNC's 30% share of copper production from the Reed Mine only

Beta Hunt Mine – Comprehensive Debt Refinancing Provides Operating Flexibility During Gold Production Ramp-up

Comprehensive refinancing package with Auramet International LLC:

- **Low-cost working capital facility**
- **Repaid senior secured MPA with Lascaux; associated 3% NSR on Beta Hunt gold production and other covenants have been eliminated**

Auramet refinancing highlights:

US\$16.5 million senior secured gold loan:

- Repaid by delivery of 560 ounces per month over 30 month period (total of 16,800 ounces) commencing February 28, 2017
- Auramet call options for 1,000 oz/month at A\$1,900 (expiration dates Feb. 28, 2017 - Sep 30, 2018)

US\$6.5 million working capital facilities:

- US\$5.5 million in-process gold facility and a US\$1.0 million in-process nickel facility
- Interest rate of LIBOR + 4.5% per annum
- Auramet may purchase, at market rates, all gold and nickel from Beta Hunt during the loan term

Gold price hedges in place at favourable pricing¹

- 3,345 ounces of Beta Hunt November 2016 production hedged at A\$1,681 (US\$1,274)
- 3,500 ounces of Beta-Hunt December 2016 production hedged at A\$1,721 (US\$1,298)
- 19,500 total ounces of 2017-2018 Beta-Hunt production hedged at A\$1,728 (US\$1,303) (1,300 ounces per month during the period February 2017 to April 2018)
- November 11, 2016 spot gold price: US\$1,236

1. using US\$0.754 November 11, 2016 closing exchange rate

- Mine in transition to primary gold producer from nickel
- Gold sales increased by 40% to 7.6 koz
- Gold production ramp-up continued as tonnes mined were up 10% in Q3 vs Q2
- However, gold production declined 7% to 7.1 koz as one-time issues in two stopes led to lower grades and lower volumes than expected
- Pre-commercial gold cash costs were US\$997/oz and all-in sustaining costs were US\$1,305 impacted by lower gold grades, lower nickel production, and higher Australian dollar
- As gold production ramps up and grades improve, operating costs are expected to decline towards target levels

Beta Hunt Q3 Overview

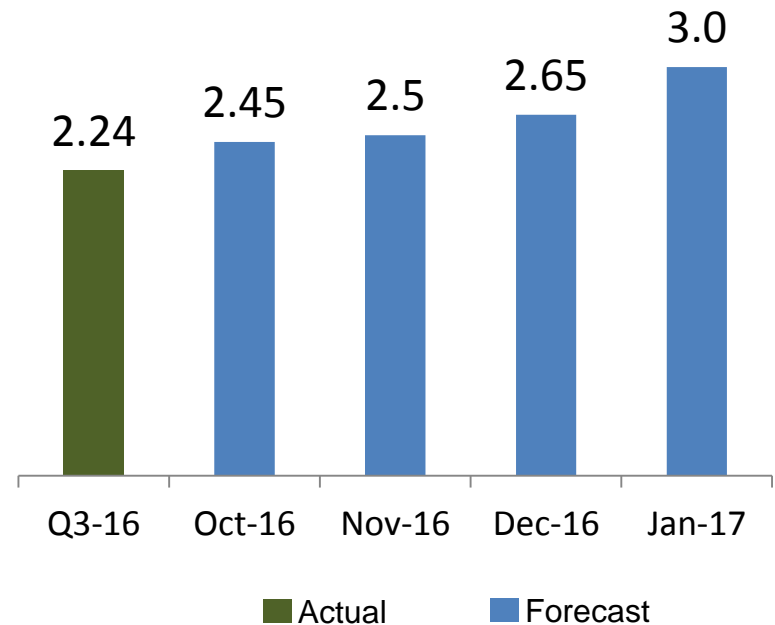
Beta Hunt Gold and Nickel Operation	Q3 2016	Q2 2016	Q1 2016
Gold mined (kt)	105.0	95.4	66.2
Gold mined grade (%) ¹	2.10	2.48	2.41
Gold mined (ounces) ^{1,2}	7,094	7,599	5,636
Gold milled (kt)	140.0	80.4	43.1
Gold mill grade (g/t) ¹	2.24	2.23	2.65
Gold sales (ounces)	7,570 ⁵	5,402	3,416
Gold cash operating cost (US\$/oz sold) ^{3,4}	\$997	\$826	n/a
Gold all-in sustaining cost (US\$/oz sold) ^{3,4}	\$1,305	\$1,269	n/a
Nickel mined (kt)	13.1	19.1	29.4
Nickel milled (kt)	13.3	19.2	29.7
Nickel mill grade (%)	2.48	2.34	3.04
Nickel in concentrate (kt)	0.29	0.42	0.8
Nickel cash operating cost (US\$ per lb sold) ⁴	\$5.90	\$3.67	\$2.63
Nickel cash operating cost (US\$/t sold) ⁴	\$13,012	\$8,084	\$5,808
Nickel all-in sustaining cost (US\$/lb sold) ⁴	\$6.19	\$3.88	\$2.83
Nickel all-in sustaining cost (US\$/t sold) ⁴	\$13,637	\$8,555	\$6,229

1. The June 2016 mineralization mine grade and ounces were finalized with the final results from the Q3 2016 toll, which resulted in lower gold mine grade (2.48) than previously reported (2.54). The September 2016 mineralization mine grade and ounces will be finalized with the final results from the Q4 2016 toll. The Q3 numbers provided above include preliminary estimates of the ROM grade.
2. As of September 30, 2016, 5 kt of gold mineralization from September 2016 production remained on the ROM pad for tolling in the subsequent quarter, compared to 39 kt of gold mineralization from June 2016 production as of June 30, 2016 and 23 kt of gold mineralization from March 2016 production as of March 31, 2016.
3. Gold operations in Q1 2016 were at the early stage of the ramp up towards commercial production and operating and sustaining costs per ounce are not comparable to Q2 or to other companies.
4. Cash operating cost, cash operating cost per tonne, and all-in sustaining cost, are not recognized measures under IFRS. Such non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally. The use of these measures enables management to better assess performance trends. Management understands that a number of investors, and others who follow RNC's performance, assess performance in this way. Management believes that these measures better reflect RNC's performance and are better indications of its expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.
5. Note that 1,730 ounces of gold remained in in-process inventory from the tonnage milled during the quarter.

New Leadership to Deliver Ramp-Up by Q1-2017

- Leadership at mine has been replaced by Kevin Small, Director, Mining Operations:
 - 26 years experience in underground mine operations in precious and base metals
 - Successful track record in mine management and leadership of technical teams including significant gold mining experience at Kirkland Lake Gold and St. Andrews Goldfields
- Development rates significantly higher, 3rd jumbo drill to accelerate development to target levels
- Focus on development and grade expected to lead to higher grades and throughput through balance of the year
- On track to achieve annualized gold production rates of 60,000 oz per annum early in Q1 2017 and gold production in 2017 in excess of 60,000 ounces

**Beta Hunt
Gold Grade Milled
(g/t gold)**



Additional Debt Financing To Ensure Sufficient Cash Cushion to Complete Ramp-up By Q1-2017

- US\$2.5 million unsecured debt facility arranged by Riverfort Global Capital
- Interest rate of 12%
- Principal will be repaid, beginning four months after closing, in eight equal monthly payments of US\$234k (in months 4 to 11 following closing) and a bullet payment of US\$625k (in month 12 following closing)
- 2.9 million 24 month warrants exercisable at a strike price of \$0.50 per share
- Funding, which is subject to TSX approval and other closing conditions, is expected to occur on or prior to November 18, 2016.

- Production of 2.8 M lbs copper (1.3 kt) and low cash costs (RNC's 30% share)
- Contribution and bridge loan from Hudbay effectively reduced during quarter to \$7.6 million (net of receivables)
- At current metal prices, contribution and bridge loan balances (net of related receivables) owed to Hudbay expected to be zero in the second quarter of 2017 (previously third quarter)

Reed Mine Q2 2016 Operating Review (100% basis)

	Q3 2016	Q2 2016	Q1 2016
Ore (tonnes hoisted)	112,929	114,452	111,461
Ore (tonnes milled)	119,795	111,002	94,997
Copper (%)	3.59	4.87	4.38
Zinc (%)	0.59	0.45	0.82
Gold (g/t)	0.42	0.60	0.54
Silver (g/t)	6.61	7.47	7.21
Mine Unit Operating Cost (CDN\$/tonne)	\$47	\$44	\$46

Reed Mine Q2 2016 Operating Review (30% basis)^{1,2}

	Q3 2016	Q2 2016	Q1 2016
Copper contained in concentrate (kt)	1.3	1.5	1.1
Gold contained in concentrate (oz)	320	402	319
Copper cash cost per lb sold	US\$1.40	US\$1.21	n/a
Copper all-in sustaining cost per lb sold	US\$1.47	US\$1.35	n/a

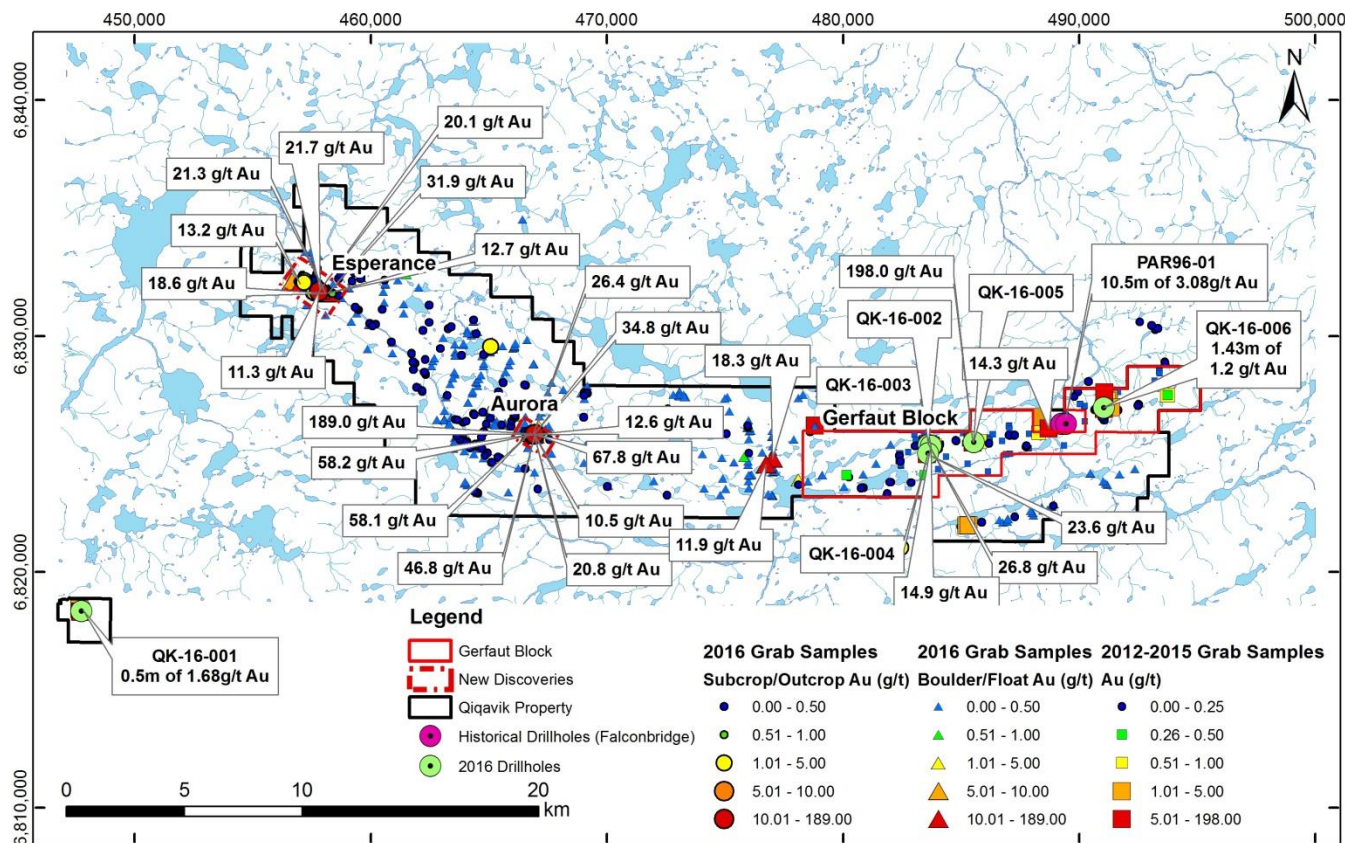
1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Prior period figures are for comparison purposes only

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

Qiqavik – High Grade Gold & Copper Discoveries

- 2016 program discovered two new high grade gold mineralization zones, Aurora and Esperance, extending mineralized trend to over 40 km, more than doubling the known extent of the trend
- The successful prospecting results demonstrate the potential for the Qiqavik project to host important new gold and copper deposits

Map of Qiqavik Property Showing Significant Gold Exploration Results



Source: RNC news release dated September 19, 2016 available at www.rncminerals.com and www.sedar.com

Qiqavik – Tip of the Iceberg ?

Asset to be JV/Spun Out for Future Funding



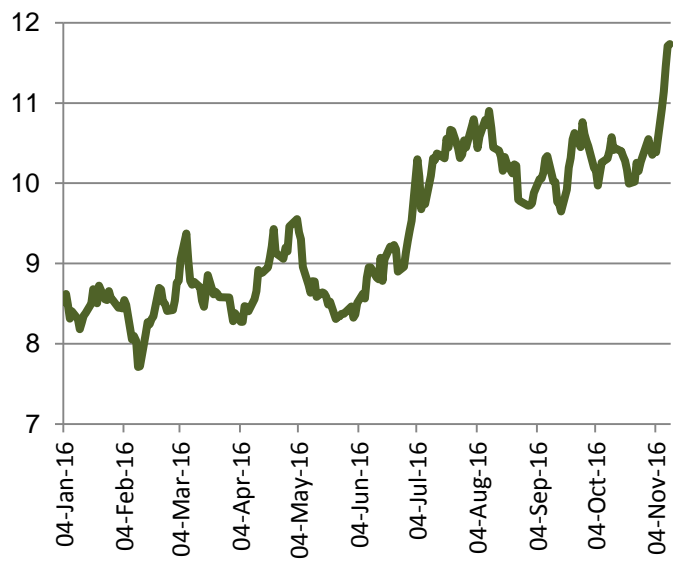
- TNN has acquired the most prospective part of an under explored volcano sedimentary belt
- Au –Cu “Recipe” ingredients:
 - ✓ pre-, syn- & post tectonic intrusions
 - ✓ Evidence of hydrothermal alteration
 - ✓ Cherty/Sediment Fe-formations,
 - ✓ Structures (shearing & thrusting)
 - ✓ Observed high grade Au, Cu, Ag, Zn, Pb mineralization at surface
- Mineralization at surface over 40km
- Potential for further discoveries on land package as indicated by surface geochemistry
- Potential to expand new discoveries with IP and drilling
- Geophysical data (IP) data processing is ongoing, preliminary results identify good drilling targets

Is Qiqavik the new next district scale Gold –Copper camp?

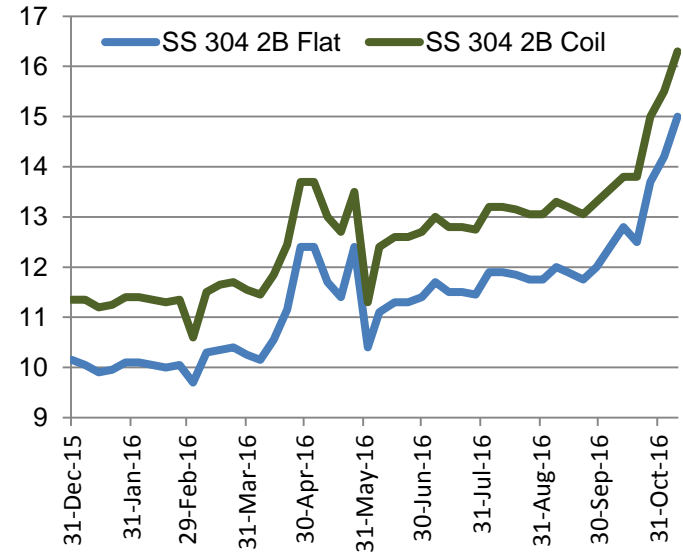
Nickel and Stainless Prices Have Rebounded in 2016

LME nickel price is up 38% in 2016 with the LME cash official cash price reaching a high for 2016 on November 11 of \$5.32/lb (11,735/t) and Chinese stainless steel prices are up over 45% in 2016

Nickel Price (LME Cash Official)
US\$ (000s)/t



Stainless Steel CR Plate (China)
Yuan (000s)/t



Dumont – Continuing to Advance One of the Few “Shovel Ready” Large Scale Base Metal Projects

Dumont Project Q3 Update

- **Roasting Tests:**
 - Samples of Dumont calcine sent to potential customers and testing is ongoing
 - Initial feedback on pricing ahead of expectations
- **Dumont Project Engineering:**
 - Two proposals awarded to advance the engineering on the project
 - Trade-off studies well underway in anticipation of completing and updated feasibility study when market conditions appropriate
- **Project Financing:**
 - Renewed investor interest in project investment
 - Re-engaged in discussions with financing partners
- **Improvement in nickel market:**
 - Renewed interest in investment for first time since decline in nickel prices in 2014

Ferro-nickel puck produced from Dumont concentrate



- **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**
- **New leadership at Beta Hunt to deliver successful ramp-up by Q1-2017**
- **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**
 - **Qiqavik – high quality gold-copper exploration project**

Share Structure¹:

▪ Basic Shares Outstanding:	274.7 million
▪ Options (<i>average exercise price: C\$0.51</i>)	16.0 million
▪ Deferred/Restricted Share Units	4.0 million
▪ Warrants (<i>average exercise price: C\$0.49</i>)	14.3 million
▪ Compensation Warrants	1.4 million
▪ Contingent Shares	7.0 million
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▪ Fully Diluted Shares Outstanding:	317.4 million
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▪ Directors and Officers Share Ownership:	~4%
▪ Large Shareholders:	
Eric Sprott	~10%
Oppenheimer Funds, Inc.	~4%

Balance Sheet Highlights:

▪ Cash and Cash Equivalents²:	C\$10.0 million
▪ Market Capitalization¹:	C\$87 million

1. Shares outstanding, fully diluted shares outstanding, shareholdings and market capitalization as at November 13, 2016
 2. Cash and cash equivalents as at September 30, 2016