RNC Minerals Reports Cobalt 27 Has Acquired Existing Royalty On Dumont Nickel-Cobalt Project

TORONTO, Feb. 22, 2018 /CNW/ - RNC Minerals (TSX: RNX) ("RNC") is pleased to report that Cobalt 27 Capital Corp. ("Cobalt 27") has agreed to acquire an existing 1.75% Net Smelter Return ("NSR") royalty on all future production over all metals from the Dumont Nickel-Cobalt Project ("Dumont").

"Cobalt 27's acquisition of the 1.75% NSR royalty highlights why the Dumont Nickel-Cobalt Project is one of the world's premier battery metals projects. Dumont not only contains the world's largest undeveloped reserves of both cobalt and nickel, it also fully permitted and construction-ready, close to existing infrastructure, and located in one the world's most desirable mining jurisdictions in Quebec," said Mark Selby, President and CEO of RNC Minerals. "RNC is pleased to welcome Cobalt 27 as a supportive partner on the Dumont project. Cobalt 27's assessment of Dumont's ideal positioning to meet demand for the electric vehicle market has been confirmed by recent approaches on Dumont from automakers and battery materials producers who are focused on obtaining access to cobalt and nickel feed from a low political risk jurisdiction."

Cobalt 27 recognizes that RNC and Dumont project, with its unique structural advantages, is ideally positioned to take advantage of the future growth of the electric vehicle market*: "The production profile of the company will make it a critical source of raw materials from a safe jurisdiction to both the automobile and grid storage industries at a time when few development stage projects exist globally, and almost no such projects exist in stable jurisdictions,"* Cobalt 27 stated in its February 22, 2018 news release.

The Dumont NSR royalty is the first investment by Cobalt 27's wholly-owned subsidiary, Electric Metals Streaming Corp. The 1.75% NSR royalty contains a US$15 million buyback right to the Dumont joint venture to repurchase 0.375% of the 1.75% NSR ("Repurchase Option"), which if exercised would result in a 1.375% remaining NSR. The one-time Repurchase Option is only exercisable on the third, fourth or fifth anniversary of the original royalty agreement dated July 8, 2015.

Completion of the sale of the NSR royalty acquisition by Cobalt 27 is subject to certain customary conditions of closing, including approval of the TSX Venture Exchange.

Cobalt 27's news release dated February 22, 2018 can be viewed at the following link:http://www.co27.com/investors/news-releases/index.php?content_id=145

About Dumont[1]

Dumont is the fifth largest nickel sulphide discovery ever and contains the largest undeveloped nickel and cobalt reserves in the world. It is one of the few nickel projects that can potentially deliver nickel and cobalt to market by 2020 to meet the growing needs of the electric vehicle market. Dumont proven and probable reserves consist of 1.18 billion tonnes of ore containing 3.15 million tonnes of nickel (6.9 billion pounds) and 126,000 tonnes (278 million pounds) of cobalt[2]. RNC has a 50% interest in a nickel joint venture (with Waterton) that owns the Dumont Nickel Project in the Abitibi region of Quebec.

1. See "Dumont Nickel Project NI 43-101 Compliance" statement below.
2. Reference is made to table 15-1 in section 15 of the Technical Report on the Dumont Ni Project, dated July 25, 2013, available at www.rncminerals.com and under Royal Nickel Corporation's profile on www.sedar.com

Dumont Nickel-Cobalt Project NI 43-101 Compliance

Unless otherwise indicated, RNC has prepared the technical information contained in this news release ("Technical Information") based on information contained in the feasibility study dated July 25, 2013 relating to the Dumont Nickel Project available under RNC's company profile on SEDAR at www.sedar.com. The feasibility study was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in NI 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Readers are encouraged to review the full text of the feasibility study which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The feasibility study is intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the feasibility study.

The Technical Information in this news release has been reviewed by Alger St-Jean, P. Geo., Vice President Exploration of RNC and Johnna Muinonen, Vice President Operations of RNC, with respect to the Dumont Nickel Project, both Qualified Persons under NI 43-101.

About Cobalt 27

Cobalt 27 Capital Corp. is a minerals company that offers direct exposure to cobalt, an integral element in key technologies of the electric vehicle and battery energy storage markets. The Company owns over 2,982 Mt of physical cobalt and manages a portfolio of cobalt royalties. The Company intends to continue investing in a cobalt-focused portfolio of streams, royalties and direct interests in mineral properties containing cobalt, while potentially adding to its cobalt physical holdings when opportunities arise.

About RNC Minerals

RNC is a multi-asset mineral resource company with a portfolio of nickel, cobalt, and gold production and exploration properties. RNC has a 50% interest in a nickel joint venture with Waterton Resources that owns the Dumont Nickel-Cobalt Project located in the Abitibi region of Quebec which contains the second largest cobalt reserve and eighth largest nickel reserve (the largest undeveloped nickel and cobalt reserves in the world). RNC has a 100% interest in the producing Beta Hunt gold and nickel mine located in Western Australia. RNC has a strong management team and Board with over 100 years of mining experience at Inco and Falconbridge. 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 and Reed mines as well as the and the potential of the Dumont development project and Qiqavik, West Raglan, Jones-Keystone Loflin and Landrum-Faulkner exploration properties.

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, 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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