RNC Minerals Announces Positive Results Of Dumont Nickel-Cobalt Project Updated Feasibility Study

Updated Feasibility Study Delivers $920 M $NPV_{8\%}$

RNC will host a call/webcast on Friday, May 31 at 11:00 a.m. (Eastern Time) to discuss the Feasibility Study. 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] (replay access information below).

(All amounts expressed in US dollars unless otherwise indicated)

TORONTO, May 30, 2019 /CNW/ - RNC Minerals ("RNC") (TSX: RNX) in its capacity as Manager of the Dumont Joint Venture (the "Joint Venture") with Arpent Inc., a subsidiary of Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Offshore Master, LP ("Waterton"), is pleased to announce the positive results of an updated feasibility study ("feasibility study") for its Dumont Nickel-Cobalt Project ("Dumont").

"The achievement of this major milestone once again confirms the robust economics of the Dumont Nickel-Cobalt Project. Once in production, Dumont will be one of the largest base metal mines in Canada, one of the top five sulphide nickel producers globally, and one of the only large scale fully permitted nickel-cobalt projects that can begin to satisfy the significant growth in nickel and cobalt demand driven by the electric vehicle sector." said Mark Selby, President and CEO of RNC. "With the completion of this positive feasibility study, RNC, with our partner Waterton, is well positioned to accelerate discussions with potential partners to advance the Dumont project towards construction."

Mr. Selby continued, "With the fully-permitted Dumont project and the previously announced pending addition of the Higginsville Gold Operation to our Beta Hunt gold mine in Australia, I believe RNC is very well-positioned to deliver value to our shareholders."

Dumont 2019 Feasibility Study Highlights[1]

- Large scale, low cost, long-life project
  - *Initial nickel production in concentrate of 33ktpa ramping up to 50ktpa in Phase II expansion - production of approximately 1.2 million tonnes (2.6 billion pounds) of nickel in concentrate, over a 30-year life with an initial capital expenditure of $1.0 billion.*
  - *Phase I C1 cash costs [2] of $2.98/lb ($6,570/t). Life-of-mine C1 cash costs [2] of $3.22/lb ($7,100/t Ni) and AISC of $3.80/lb ($8,380/t) of payable nickel (low 2nd quartile of cash cost curve)*
- Significant earnings and free cash flow generation support strong project economics
  - *$920 M after-tax $NPV_{8\%}$ and 15.4% after-tax internal rate of return ("IRR")*
  - *Estimated annual EBITDA ramping up from $303 million in Phase I to $425 million in Phase II and averaging of $340 million over the life of project. Free cash flow averages $ 201 million annually over the 30-year project life*
- Top tier mining asset in excellent jurisdiction [3]
  - *2nd largest nickel reserve in the world of 2.8 million tonnes (6.1 billion lbs) contained nickel and 9th largest cobalt reserve with 110 thousand tonnes (243 million lbs) contained cobalt*
  - *Once in production, a top 5 nickel sulphide operation globally, a top 3 Canadian base metal asset, and one of largest battery metal development projects globally*
  - *Fully permitted, construction ready project located in Abitibi region in Quebec - one of world's leading mining jurisdictions*
  - *Impacts and Benefits Agreement successfully negotiated with local First Nation*

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[1] Based on price and exchange rate assumptions contained in "Key Assumptions" table found in the Economic Sensitivities section of this news release. NPV and IRR calculated from assumed start of construction and based on 2019 H1 real costs.

[2] C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits

[3] Reserve comparison data sourced from company reports, Wood Mackenzie and S&P Global Market Intelligence

Significant potential for additional value identified

- *Implementation of autonomous truck fleet*
- *Larger-scale initial project phase of 75ktpd*
- *Sale of magnetite by-product*

2019 Feasibility Study - Operating and Cost Summary

Production	Units	52.5 ktpd Year 1-7	105 ktpd Pit Year 8-19	Life-of-Mine Year 1-30
Ore Mined[1]	Mt	252	732	1,028
Expit Mining Rate	Ktpd	259	298	224
Strip Ratio[1]	Waste : Ore	1.43	0.86	1.02
Ore Milled	Mt	122	477	1,028
Ore Grade	% Ni	0.33	0.28	0.27
Ni Recovery	%	53%	47%	43%
Co Recovery	%	45%	37%	33%
PGE Recovery	%	65%	61%	62%
Nickel In Concentrate	ktpa (M lbs)	33 (73)	50 (111)	39 (87)
Cobalt In Concentrate	ktpa (M lbs)	0.9 (2)	1.5 (3.4)	1.2 (2.6)
PGM In Concentrate	Koz pa	14	25	19
NSR	$/t ore	$27.00	$20.30	$17.75
Mine (ore milled)	$/t ore	$5.33	$4.10	$2.86
Process	$/t ore	$3.98	$3.90	$3.90
G&A	$/t ore	$0.73	$0.40	$0.41
	$/t ore	$10.04	$8.40	$7.17
Total Site Costs	$/lb	$2.83	$3.14	$3.07
Realization	$/lb	$0.15	$0.16	$0.16
C1 Cash Cost	$/lb ($/tonne)	$2.98 ($6,566)	$3.30 ($7,268)	$3.22 ($7,109)
AISC	$/lb ($/tonne)	$4.19 ($9,242)	$3.80 ($8,369)	$3.80 ($8,384)

1. Totals include pre-stripping of 42 Mt, including 13 million tonnes of ore, before mill production commences.

The break even NPV_0 is $4.38 per pound of nickel. Break even $NPV_{8\%}$ is $5.86 per pound of nickel.

Project Overview

Dumont will be an open pit mine/mill operation, using conventional drilling and blasting, with loading by a combination of hydraulic excavators and electric rope shovels into trucks ranging in size from 45 – 290 tonnes. The process plant will be constructed in two phases. Phase I will have an initial average throughput of 52.5 ktpd using a single SAG mill and two ball mills for grinding, desliming using cyclones, conventional flotation and magnetic separation, to produce a nickel concentrate also containing cobalt and PGEs. Phase II throughput will be doubled to 105 ktpd in Year 7 by mirroring the first line.

Location

Dumont is located in the western portion of the Abitibi region in the province of Quebec. The property is located, in the municipalities of Launay and Trécesson, approximately 25 km west of the city of Amos, approximately 60 km northeast of the industrial and mining city of Rouyn-Noranda and 70 km northwest of the city of Val-d'Or.

Dumont Mineral Resources (inclusive of mineral reserves)

Mineral Resource Statement, Dumont Nickel Project, Quebec, SRK Consulting (Canada) Inc., May 30, 2019[1]

	Quantity	Grade		Contained Nickel		Contained Cobalt	
Resource Category	(000 t)	Ni (%)	Co (ppm)	(000 t)	(Mlbs)	(000 t)	(Mlbs)
Measured	372,100	0.28	112	1,050	2,310	40	92
Indicated	1,293,500	0.26	106	3,380	7,441	140	302
Measured + Indicated	**1,665,600**	**0.27**	**107**	**4,430**	**9,750**	**180**	**394**

Inferred	499,800	0.26	101	1,300	2,862	50	112
Resource Category	**Quantity**	**Grade**		**Contained Palladium**		**Contained Platinum**	
	(000 t)	**Pd (gpt)**	**Pt (gpt)**	**(000's ounces)**		**(000's ounces)**	
Measured	372,100	0.024	0.011	288		126	
Indicated	1,293,500	0.017	0.008	720		335	
Measured + Indicated	**1,665,600**	**0.020**	**0.009**	**1,008**		**461**	
Inferred	499,800	0.014	0.006	220		92	
	Quantity	**Grade**		**Contained Magnetite**			
Resource Category	**(000 t)**	**Magnetite (%)**		**(000 t)**	**(Mlbs)**		
Measured	-	-		-	-		
Indicated	1,114,300	4.27		47,580	104,905		
Measured + Indicated	**1,114,300**	**4.27**		**47,580**	**104,905**		
Inferred	832,000	4.02		33,430	73,702		

1. Reported at a cut-off grade of 0.15 percent nickel inside conceptual pit shells optimized using nickel price of US$7.50 per pound, average metallurgical and process recovery of 43 percent, processing and G&A costs of US$4.33 per tonne milled, exchange rate of C$1.00 equal US$0.77, overall pit slope of 42 degrees to 50 degrees depending on the sector, and a production rate of 105,000 tonnes per day. The qualified person considers that the conceptual pit shells would not be materially different to that if current (2019) conceptual pit optimization assumptions were considered. The technical parameters would be unchanged and with the metal price in Canadian dollars constant due to the decrease in US$ nickel price assumption compensated by corresponding decrease in US$:CAD$ exchange rate, the qualified person considers the reporting cut-off grade of 0.15 percent nickel to be reasonable. Values of cobalt, palladium, platinum and magnetite are not considered in the cut-off grade calculation as they are by-products of recovered nickel. All figures are rounded to reflect the relative accuracy of the estimates. Mineral resources are not mineral reserves and do not have demonstrated economic viability. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

Mineral Reserves

Mineral Reserve Statement, Dumont Nickel Project,Quebec, Penswick, May 30, 2019[1]

		Grades				**Contained Metal**			
		Ni	**Co**	**Pd**	**Pt**	**Ni**	**Co**	**Pd**	**Pt**
Category	**000 t**	**(% Ni)**	**(ppm)**	**(gpt)**	**(gpt)**	**Mlbs**	**Mlbs**	**000 oz**	**000 oz**
Proven	163,140	0.33	114	0.031	0.013	1,174	41	162	67
Probable	864,908	0.26	106	0.017	0.008	4,908	202	466	220
Total	**1,028,048**	**0.27**	**107**	**0.019**	**0.009**	**6,082**	**243**	**627**	**287**

1. *Reported at a cut-off grade of 0.15% nickel inside an engineered pit design based on a Lerchs-Grossmann (LG) optimized pit shell using a nickel price of US$4.05 per pound, average metallurgical recovery of 43%, marginal processing and G&A costs of US$4.10 per tonne milled, long-term exchange rate of C$1.00 equal US$0.75, overall pit rock slopes of 40° to 50° depending on the sector, and a production rate of 105 kt/d. Mineral Reserves include mining losses of 0.33% and dilution of 0.43% that will be incurred at the contact between mineralization and waste. The Proven Reserves are based on Measured Resources included within run-of-mine (ROM) mill feed. Probable Reserves are based on Measured Resources included within stockpile mill feed plus Indicated Resources included in both ROM and stockpile mill feed. All figures are rounded to reflect the relative accuracy of the estimates.

Mining

Approximately 42 million tonnes of overburden will be pre-stripped prior to start-up of operations. The life-of-mine plan excavates 2.1 billion tonnes of material, including 1.0 billion tonnes of ore, over an open pit life of 24 years. A key element of this plan is the de-coupling of mine production rates from that of the plant. This allows for accelerated output of metal in the early years from higher grade and recovery material, while lower grade and recovery material is stockpiled. After open pit operations cease in Year 24, 398 Mt of stockpiled ore will remain to support continued production through Year 30. This strategy also allows tailings produced from year 20 onwards to be impounded within the mined-out pit, significantly reducing the size and associated cost of the Tailings Storage Facility (TSF).

Inclusion of the trolley assist option is a major driver in reducing greenhouse gas (GHG) emission, noise level, fleet size and overall project

environmental footprint.

A detailed production schedule can be accessed at the following **link**.

Processing

The concentrator and associated infrastructure facilities will process run-of-mine or stockpiled ore with a conventional milling process consisting of a primary gyratory crusher, semi-autogenous grinding (SAG) and ball mill, desliming, nickel flotation and magnetic separation of the flotation tails. The nickel concentrate will be thickened and filtered on site prior to shipment by truck or rail to market.

The average nickel concentrate grade over the 30-year life of the project is estimated to be 29%. This relatively high grade is one of the important reasons why Dumont concentrate is suitable for alternative paths to market, such as roasting, instead of traditional smelting and refining, to feed the stainless steel industry or conversion to nickel sulphate for the battery market.

Infrastructure

The Dumont project is located adjacent to a rail line and highway and a power line with sufficient capacity for the construction period. A short 6 km rail spur will be built off the rail line to provide access into the mine property and a 10 km power line feed from an existing high voltage line south of the property will be constructed to provide sufficient power for operations.

Improvements Included in 2019 Feasibility Study

Through the update of the feasibility study, the project has been de-risked technically with an updated mine design and additional engineering work on tailings management and tailings storage facility design. The project has also been de-risked economically through more detailed work on capital and operating cost estimates that built on the 2015 EPC work (See RNC Minerals news release dated August 4, 2015).

"Throughout the process of optimising the feasibility study, RNC has successfully improved project design to reduce risk and achieve improvements in operational reliability," said CEO Mark Selby.

Highlights of these improvements include:

- Increase in the electrification of the mine by incorporating trolley assist on the main ramps. This will reduce cycle times and reduce diesel consumption by over 35% (approximate reduction of 450 M litres over the LOM). This reduction of diesel consumption over the LOM will reduce GHG emissions by 1.2 M tonnes of CO_2 equivalent.

- Inclusion of concentrate roasting and conversion to ferronickel as the route to market for the nickel concentrate. In 2014, based on RNC's process, Tsingshan began construction of the first plant to directly utilize nickel sulphide concentrate as part of the stainless steel making process and has since built an additional plant utilizing the roasted nickel concentrate process. In 2018 the Dumont JV engaged CRU, a leading provider of analysis, prices and consulting in the mining, metals and fertilizer markets, to conduct a value-in-use study for roasted concentrate converted to ferronickel. The CRU study looked at toll-processing in Asia for a range of nickel concentrates with nickel content ranging from 14% to 29% through to a final ferronickel product. For the 29% nickel concentrate grade, expected to be produced by Dumont, CRU estimated a payability of 94%. For purposes of the feasibility study update, a more conservative payability of 91.5% was assumed (at the higher CRU forecast, NPV8% would increase by $98m). With roasting, no payment will be realized for the cobalt and PGMs contained in concentrate. At higher prices for cobalt and/or PGMs, it will be more economic to treat the concentrate via conventional smelting and refining or by alternate processes to allow the nickel and cobalt to be utilized by the battery industry. RNC continues to evaluate and discuss with potential partners a range of market alternatives for concentrate treatment.

- The mining footprint and production rates have been significantly reduced during the pre-strip and initial 5 years of operation. In addition, based on the recent experiences of large Canadian open pits mining similar material, the decision has been made to employ smaller, more maneuverable equipment for stripping overburden and opening up the initial faces in bedrock. The higher unit costs for smaller equipment will be offset by greater certainty in their productivity, which will reduce the risk associated with production and cost targets during the early years of operation.

- The mining rate has been maintained at approximately twice the milling capacity to accelerate delivery of the highest value ore to the process plant. Lower value ore that is initially stockpiled will be processed once the open pit is exhausted. In addition to maximizing project value, this operating philosophy provides a buffer to ensure there is adequate feed to keep the plant at capacity

during the early years of operation while the pit is ramping up.

- Tailings Storage Facility (TSF) design improvements have improved stability of the TSF and increased the capacity for carbon dioxide sequestration. The revised mine design also reduces the tonnage requiring impoundment in the TSF by 12%.

Capital Cost Estimate

Summary of Capital Costs[1,2]

($ millions)	Initial Capital	Expansion Capital	Sustaining Capital	LOM Capital
Mine	$223	$0	$450	$674
Process Plant[3]	$346	$335	$48	$729
Tailings	$36	$23	$125	$185
Infrastructure	$206	$118	$0	$324
Indirect Costs[4]	$123	$71	-$12	$182
Contingency[5]	$83	$53	$0	$137
Total	**$1,018**	**$601**	**$611**	**$2,230**

1. Accuracy of capital cost estimates are +/- 15%
2. Totals may not add due to rounding
3. Infrastructure costs for sustaining capital are included in process plant costs
4. Includes first fills and the associated $12 million release in sustaining capital at the end of the project life
5. Contingency excludes a growth allowance of 5.1% that has been included in the direct capital costs of applicable elements. A total of $69 M of growth allowance was included - $38M for initial capital and $31M for the expansion

Operating Cost Estimate

Operating Costs	$/t ore	$CDN t/ore
Labour	$1.09	$1.45
Consumables	$2.20	$2.93
Maintenance	$1.31	$1.75
Diesel	$0.79	$1.05
Electricity	$1.53	$2.04
Contracts & Other	$0.24	$0.32
Total[1]	**$7.17**	**$9.56**

1. Totals may not add due to rounding

Additional Upside Opportunities

The Joint Venture has identified a number of additional upside opportunities that have the potential to add additional value to the project but were not included as the base case of the feasibility study as they have not as yet been advanced to a feasibility level.

1) Autonomous Fleet Operation ($NPV_{8\%}$: +$75 - +$115M)

As autonomous equipment has been employed in open pits for over a decade and the global fleet currently approximates a combined 400 units of haul-trucks and blasthole drills, automation is rapidly becoming proven technology. Accordingly, an industry expert Peck Tech Consulting Ltd. (Peck Tech). were engaged to assess the suitability of Dumont for automation. Based on Peck Tech's pre-feasibility (PFS) level assessment, the implementation of an Autonomous Haulage System (AHS) could reduce the peak truck fleet by 20% and reduce site-wide AISC by over 3%. Further potential could be achieved with an Autonomous Drilling System (ADS). RNC is continuing discussions with various mining equipment suppliers to understand the impacts and benefits in greater detail.

2) Alternate Development Scenario – 75ktpd Start-up ($NPV_{8\%}$: +$155 - +$210M)

In 2017, a trade-off study completed by Ausenco identified the potential benefit of expanding the scope of operation at start-up. In response to

discussions with several battery market participants, who expressed the desire for earlier access to larger quantities of nickel, the concept has now been advanced to a PFS level by Ausenco. The Alternate Scope utilizes a modified grinding circuit to achieve initial production of 75 ktpd, with a modest expansion in Year 6 to 100 ktpd. While the initial capital required for the 75 ktpd Alternate Scope is approximately 20% higher than that of the Base Case, the modified circuit leads to greater capital efficiency over the life of project, reducing total capital by approximately 5%. Further benefits of this scope include accelerated nickel output of approximately 7% (measured by the $NPV_{8\%}$ of NSR) and a 33% reduction in the time required to complete the expansion.

3) Iron Ore (Magnetite) Concentrate – Potential By-product Credit ($NPV_{8\%}$: +$60 - +$100M)

Dumont ore contains 44.9 Mt of magnetite (average grade 4.37% magnetite). Test work completed for the 2013 feasibility study indicated that recovery of 46% to a concentrate grading 63% iron could be achieved. Life of Project magnetite concentrate production could total 24 Mt, or approximately 0.8 Mt annually. The sale of magnetite concentrate would have the added benefit of reducing the tonnage impounded in the TSF by approximately 14 Mt. The current valuation is based on inputs generated for a conceptual study conducted in 2013 by Ausenco. Further testwork and market analysis will be required before inclusion in the base case for the project.

Project Development

The Joint Venture intends to continue to advance the project on multiple fronts and has targeted the following key milestones:

- Completion of partnership arrangements to provide financing to allow start of detailed engineering leading to 24-month construction period
- Advance additional upside opportunities (discussed above) to open other paths to market, specifically targeting the promising future growth in the electric vehicle battery market
- Potential placement of long-lead orders driven by the project schedule, market driven equipment lead times and financing capacity; and
- Advancement of other project development activities as driven by the project schedule and financing capacity

Feasibility Study Engineering

The feasibility study was completed by Ausenco, a global leader in engineering and project management services for the resource and energy sectors. Ausenco was chosen for the feasibility study because of its expertise and experience with similar sized, large scale base metal projects and proven experience with processing of ultramafic nickel deposits. Ausenco has successfully designed and constructed the Lumwana concentrator (55 ktpd) for Equinox Minerals, the Phu Kham concentrator (33 ktpd) for PanAust and the GDP3 expansion (30 ktpd concentrator) of the Gibraltar Mine for Taseko and the $1.75 billion Constancia project for Hudbay (80 ktpd concentrator). The feasibility team included SRK Consulting (Canada) Inc. (resource model, geotechnical), David Penswick (mine design and financial modeling), WSP Global Inc. (environmental), Golder Associates (environmental geochemistry), Wood PLC (tailings design, site water balance and closure planning) and Norascon (civil and earthworks).

Comparison Between 2013 and 2019 Feasibility Studies

The Dumont feasibility study delivered an improvement in financial returns with IRR from 15.2% to 15.4% and a robust project $NPV_{8\%}$ of $920 million. Initial capital was reduced by $173 million and the $NPV_{8\%}$ was reduced by approximately $217 million from the 2013 FS due to the following:

Comparison to 2013 Feasibility Study	$NPV_{8\%}$	Initial Capital	IRR %
2013 Feasibility Study	**$1,137**	**$1,191**	**15.2**
Inflation / Royalties / IBA	-201	+147	
Revised mine design and schedule	-161	-50	
Net Macro-economic – Exchange rate, metal prices	-100	-270	
Deferred Expansion Date	-80	n/a	
Trolley Assist	+53	n/a	
Concentrate Roasting	+272	n/a	

2019 Feasibility Study	**$920**	**1,018**	**15.4**

Economic Summary Comparison

	Units	Feasibility Study May 30, 2019[1]		Feasibility Study Jun. 17, 2013[2]	
Ore Mined	Mt	1,028		1,179	
Strip Ratio	Waste:Ore	1.02		1.13	
Nickel Recovery	% nickel	43		43	
Project Life	Years	30		33	
Ni in Concentrate	Kt (Mlbs)	1,191	(2,625)	1,353	(2,982)
Co in Concentrate	Kt (Mlbs)	36	(79)	53	(117)
PGEs in Concentrate	Koz	569		639	
Total C1 Costs	$/lb Ni *($/t Ni)*	$3.22	($7,099)	$4.79	($10,560)
By-product Credits	$/lb Ni *($/t Ni)*	$0.00		$0.48	($1,058)
Net C1 Costs	$/lb Ni *($/t Ni)*	$3.22	($7,099)	$4.31	($9,502)
Average EBITDA	$M pa	$340		$381	
Free Cash Flow[3]	$M pa	$201		$228	
Initial Capital	$B	$1.0		$1.2	
Total Capital	$B	$2.2		$2.8	
Pre-Tax $NPV_{8\%}$	$M	$1,713		$2,003	
Pre-Tax IRR		19.9%		18.7%	
Post-Tax $NPV_{8\%}$ [4]	$M	$920		$1,137	
	C$M	$1,226		$1,330	
Post-Tax IRR		15.4%		15.2%	

1. Based on price and exchange rate assumptions contained in "key assumptions" in the Economic Sensitivities section of this news release.
2. Based on price and exchange rate assumptions contained in Dumont Ni Project 43-101 filed on Sedar Oct 25, 2013
3. Free Cash flow calculated based on start of production and excludes initial capital costs.
4. The 2019 NPV includes an approximate $8 million benefit derived from the assumed leasing of the mining fleet.

Economic Sensitivities

Key Assumptions[1]

Parameter	Pricing
Nickel Price ($ per pound)	$7.75
US$/CDN$ exchange rate	$0.75
Platinum Price ($ per ounce)	$1,000
Palladium Price ($ per ounce)	$1,000
Cobalt Price ($ per lb)	$25
Oil ($ per barrel)	$60

[1.] Price assumptions for nickel based on average forecasts for group of two third-party nickel industry analysts. Price assumptions for cobalt, platinum and palladium were rounded down based on Consensus Economics Inc. forecasts

Sensitivity	Delta $NPV_{8\%}$ ($ millions)		Delta C1 Cash Cost ($/lb)		Delta IRR%	
	+	-	+	-	+	-
Nickel Price ±$1/lb	$436	-$477	$0.00	$0.00	3.2%	-3.7%
Nickel Price ±10% ($6.98 – $8.28/lb)	$336	-$368	$0.00	$0.00	2.5%	-2.9%

Oil Price ±$10/bbl	-$10	$10	$0.02	-$0.02	-0.1%	0.1%
Sulfuric Acid Price ±10%	-$6	$6	$0.01	-$0.01	0.0%	0.0%
Initial Capital Expenditure ±10%	-$55	$52	$0.00	$0.00	-0.8%	0.9%
Expansion Capital Expenditure ±10%	-$20	$20	$0.00	$0.00	-0.2%	0.2%
Site Operating Costs ±10%	-$150	$143	$0.31	-$0.31	-1.1%	1.1%
US$/CDN$ ±$0.05 (0.7 to 0.8)	-$154	$146	$0.19	-$0.19	-1.5%	1.5%
Mill Recovery ±1.0% (42% to 44%)	$81	-$82	-$0.07	$0.07	0.6%	-0.6%
Realization ±1% (90.5% to 92.5%)	$39	-$39	-$0.03	$0.04	0.3%	-0.3%

NI 43-101 Compliance

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements by, or under the supervision of, Paul Staples, P.Eng., of Ausenco, Chelsey Protulipac P.Geo., of SRK Consulting (Canada) Inc., Vu Tran, P.Eng. of Wood PLC and David P. Penswick, Eng., all of whom are independent Qualified Persons as set out in National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101").

The Mineral Resource estimate set out in this news release was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by Chelsey Protulipac P.Geo., of SRK Consulting (Canada) Inc.

The Mineral Reserve estimate set out in this news release was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by David Penswick, P.Eng.

Readers are advised that Mineral Resources not included in Mineral Reserves do not demonstrate economic viability. Mineral Resource estimates do not account for mineability, selectivity, mining loss and dilution. These Mineral Resource estimates include Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that Inferred Mineral Resources will be converted to Measured and Indicated categories through further drilling, or into Mineral Reserves, once economic considerations are applied.

Based on the resource estimate, a standard methodology for pit limit analysis, mining sequence and cut-off grade optimization, including application of mining dilution, process recovery, economic criteria and physical mine and plant operating constraints has been followed to design the open pit mine and to determine the mineral reserve estimate for the deposit as summarized in the Mineral Reserve table.

The full feasibility study, prepared as an NI 43-101 compliant technical report, will be filed under RNC's profile on SEDAR at www.sedar.com within 45 days.

Conference Call

RNC will be hosting a conference call and webcast tomorrow (May 31) beginning at 11:00 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 2:00 p.m. (Eastern Time) on May 31, 2019, and can be accessed as follows:
North American callers please dial: 1-855-859-2056; Pass Code: 1696308
Local and international callers please dial: 416-849-0833; Pass Code: 1696308

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 and mine plan targeted for Q2 2019. Beta Hunt gold resource potential is underpinned by multiple gold shears with gold intersections across a 4 km strike length which remain open in multiple directions adjacent to an existing 5 km 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 ninth largest cobalt reserve in the world. RNC owns a 27% interest in Orford Mining

Corporation, 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 mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating cost estimates, project and life of mine estimates, construction of the mine and related infrastructure, the timing and amount of future production, costs of production, success of mining operations, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.

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. The feasibility study results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Even with the completion of the feasibility study, there are no assurances that Dumont will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities. 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.

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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For further information: Rob Buchanan, Director, Investor Relations, T: (416) 363-0649, www.rncminerals.com

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