

## RNC Minerals Files Dumont Nickel-Cobalt Project Updated Feasibility Study

Updated Feasibility Study Delivers \$920 M NPV<sub>8%</sub>

(All amounts expressed in US dollars unless otherwise indicated)

TORONTO, July 11, 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 that the full Dumont Nickel-Cobalt Project ("Dumont") NI 43-101 compliant technical report ("feasibility study") has been filed under RNC's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on RNC's website at [www.rncminerals.com](http://www.rncminerals.com).

"With the filing of the positive feasibility study, RNC, with our partner Waterton, are well positioned to accelerate discussions with potential partners to advance the Dumont project towards construction." said Mark Selby, President and CEO of RNC. "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."

The previously announced highlights from the feasibility study are listed below.

### Dumont 2019 Feasibility Study Highlights<sup>1</sup>

- 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<sup>2</sup> of \$2.98/lb (\$6,570/t). Life-of-mine C1 cash costs<sup>2</sup> of \$3.22/lb (\$7,100/t Ni) and AISC of \$3.80/lb (\$8,380/t) of payable nickel (low 2<sup>nd</sup> quartile of cash cost curve)
- Significant earnings and free cash flow generation support strong project economics
  - \$920 M after-tax NPV<sub>8%</sub> 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<sup>3</sup>
  - 2<sup>nd</sup> largest nickel reserve in the world of 2.8 million tonnes (6.1 billion lbs) contained nickel and 9<sup>th</sup> 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

The Study has also identified opportunities to significantly increase the return of the project:

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

### Mineral Reserves

Mineral Reserve Statement, Dumont Nickel Project, Quebec, Penswick, May 30, 2019<sup>1</sup>

| Category | 000 t   | Grades       |             |             |             | Contained Metal |            |              |              |
|----------|---------|--------------|-------------|-------------|-------------|-----------------|------------|--------------|--------------|
|          |         | Ni<br>(% Ni) | Co<br>(ppm) | Pd<br>(gpt) | Pt<br>(gpt) | Ni<br>Mlbs      | Co<br>Mlbs | Pd<br>000 oz | Pt<br>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   | 0.048 | 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. |       |      |     |       |       |       |     |     |     |

## 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 11, 2019 relating to the Dumont Nickel-Cobalt Project, available under RNC's company profile on SEDAR at [www.sedar.com](http://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 has been prepared under the supervision of Alger St-Jean, P. Geo., Vice President Exploration of RNC and Johnna Muinonen, Vice President Nickel of RNC, both Qualified Persons under NI 43-101.

## 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. 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 has a 100% interest in the Higginsville Gold Operation in Western Australia, which is comprised of a low cost 1.3 Mtpa gold mill and a substantial portfolio of gold tenements. In addition, RNC owns 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 also owns a 24% 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](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*

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<sup>1</sup> Based on price and exchange rate assumptions contained in "Key Assumptions" table found in the Economic Sensitivities section of the feasibility study. NPV and IRR calculated from assumed start of construction and based on 2019 H1 real costs.

<sup>2</sup> 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

<sup>3</sup> Reserve comparison data sourced from company reports, Wood Mackenzie and S&P Global Market Intelligence

SOURCE RNC Minerals

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

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