

TSX : RNX

RNC MINERALS

**Higginsville
Purchase Option Agreement**

Unlocking Beta Hunt Potential



March 26, 2019

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 guidance for production; costs of sales, C1 cash costs, all-in sustaining costs and capital expenditures, and relating to the potential of the Beta Hunt Mine and the Reed Mine.

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.

HGO purchase option is a significant step forward for RNC and its Beta Hunt mine in creating value for shareholders

- Milling solution to unlock significant potential of Beta Hunt Mine
- Significantly lower processing costs compared to current toll milling arrangements
 - >\$C15/tonne or 35% cost savings on processing costs over toll milling.
 - Comparable distance to recent toll milling locations
- Transforms RNC's Western Australia gold operations into a multi-mine operation with a large land position in the Kalgoorlie gold region
- Beta Hunt ore was successfully toll milled at Higginsville in June 2018 with a 94% recovery
- Drilling program at Beta Hunt has sufficiently advanced to allow for commencement of a limited restart of bulk mining in areas with mine development already in place
- Option structure allows RNC to assess a full range of financing options to choose most accretive solution for shareholders

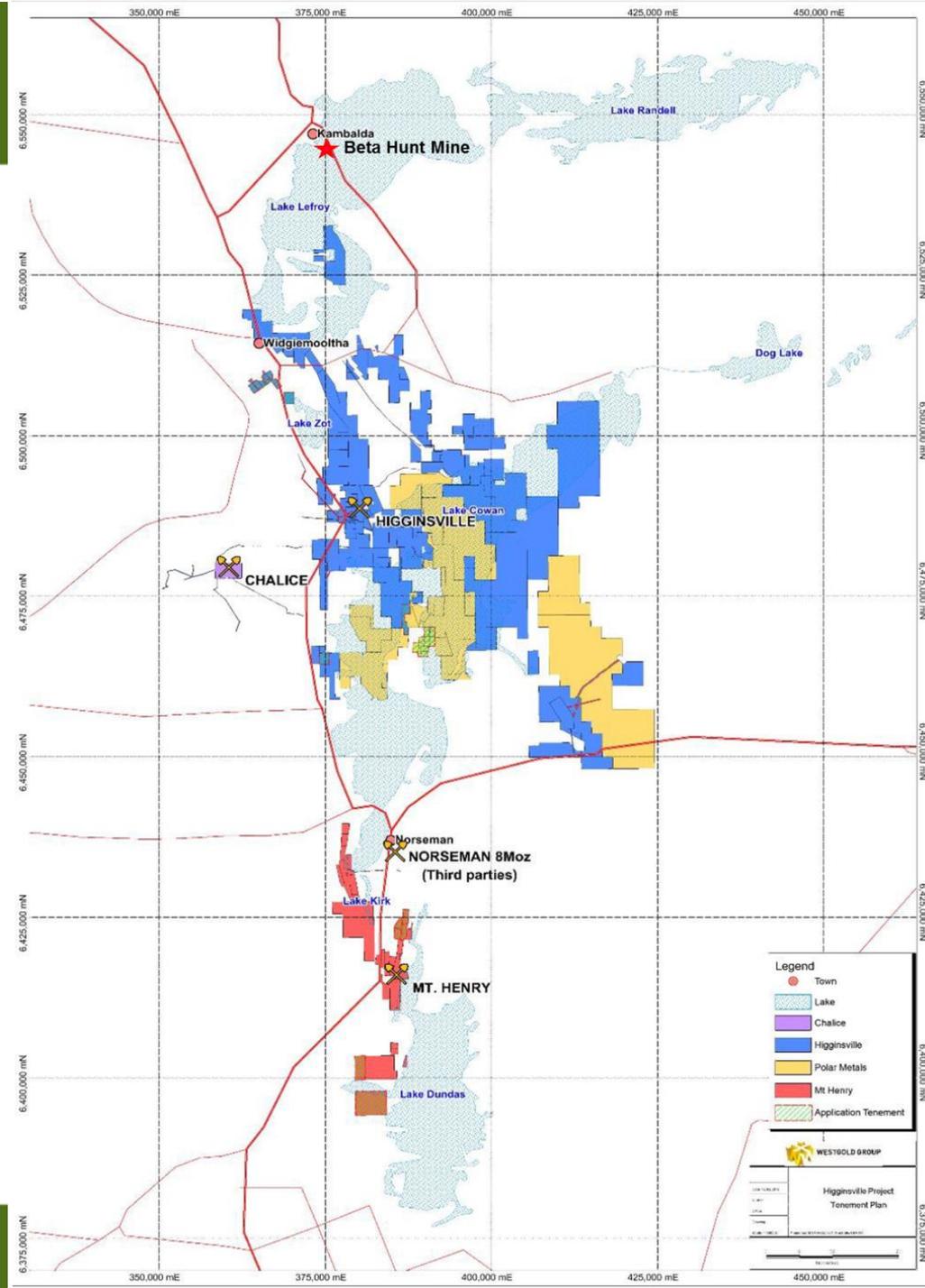
HGO Mine & Mill Operations

A multi-mine operation anchored by 1.3 Mtpa mill with large resource base and 350+ km² land package in prolific gold region

According to Westgold:

- 2019 Production estimate: 40-45 koz
- 2019 cost estimate: average AISC of US\$1,000-\$1,050 (A\$1,400-A\$1,450) per ounce
- Mining at HGO occurs primarily at the Mt Henry open pit
- Revenue generation from existing 3rd party tolling contract
- Significant exploration potential, with 200 mining titles comprising over 350 km² in the prolific gold region between Kambalda and Norseman

Source: Westgold



HGO Mill

- Modern low-cost 1.3 Mtpa gold processing plant, including a gravity gold recovery circuit with Knelson concentrator followed by an Acacia high intensity leach reactor
- Plant was built in 2007
- Substantial infrastructure including tailings storage facility



Summary of Transaction Terms

Purchase option agreement for Westgold's Higginsville Gold Operation (HGO)

- RNC has acquired a 40-day purchase option (the “**Purchase Option**”) to acquire HGO, including all existing mining, milling, and infrastructure assets, for A\$50 million (the “**Purchase Price**”)
 - In exchange for the Purchase Option, RNC will make a non-refundable option payment of A\$4 million payable immediately in RNC shares for an exclusive 40-day period to complete due diligence.
 - If the Purchase Option is exercised, closing would occur 30 days later. On closing, RNC would then pay a further A\$21 million in RNC shares and A\$25 million in cash for total consideration of A\$50 million (including the A\$4 million deposit satisfied in RNC shares)

HGO Mine & Mill Operations

The HGO assets includes several operating and previously operating underground and open pit gold mines on the property

On October 2, 2018 Westgold published its JORC compliant Annual Update of Mineral Resources & Ore Reserves as of June 30, 2018. For HGO, the update is summarized below:

Higginsville Gold Operations Mineral Resource Statement¹

(rounded for reporting)

Category	Tonnes (000s)	Grade (g/t)	Ounces (000s)
Measured	3,118	2.20	220
Indicated	15,991	1.99	1,022
Inferred	10,637	1.99	682

1. Mineral Resources reported are inclusive of those mineral Resources modified to produce the Ore reserve estimate.

Higginsville Gold Operations Ore Reserve Statement

(rounded for reporting)

Category	Tonnes (000s)	Grade (g/t)	Ounces (000s)
Proven	29	3.63	3
Probable	5,916	1.91	363
Total	5,945	1.92	367

Summary of Transaction Terms

Higginsville is a better transaction than the SKO option transaction (announced Feb 2017), which was well-received by the market at the time

	SKO – Jubilee	Higginsville
Plant Recovery	89%	94%
Mill Size (Mtpa)	1.2	1.3
Mill Age	25 years	10 years
Deal Value (\$A)	\$80M	\$50M
Deal Value (% RNC Market Cap at announcement)	~100%	~20%
EV/tpd (\$A/tpd)	\$24,365	\$14,038

- **Milling solution provides a key piece of RNC's strategy to unlock the significant potential of its Beta Hunt gold mine**
- **Significantly lower processing costs compared to current toll milling arrangements**
- **Acquisition would transform RNC's gold operations in Western Australia into a multi-mine operation anchored by 1.3 Mtpa mill with significant resource base and 350+ km² land package in prolific gold area**