ROYAL NICKEL CORPORATION
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CANADA

ANNUAL INFORMATION FORM
For the year ended December 31, 2019

Dated as of March 27, 2020

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GENERAL MATTERS

Unless otherwise noted or the context otherwise indicates, the terms "**Company**", "**RNC**", **"RNC Minerals"** and "our" refer to Royal Nickel Corporation and its subsidiaries.

For reporting purposes, the Company prepares its financial statements in Canadian dollars and in conformity with International Financial Reporting Standards ("**IFRS**"). All dollar amounts in this Annual Information Form ("**AIF**") are expressed in Canadian dollars, except as otherwise indicated. References to US$ or "U.S. dollars" are to United States dollars, and references to "A$" are to Australian dollars.

Market data and other statistical information used in this AIF is based on independent industry publications, government publications, reports by market research firms, or other published independent sources, including. Certain data is based on the Company's good faith estimates derived from its review of internal data and information and its consideration of independent sources, including those listed above. Although the Company believes these sources are reliable, the Company has not independently verified the information and cannot guarantee its accuracy or completeness.

The information contained in this AIF is as at December 31, 2019, unless otherwise indicated.

A glossary of technical terms is included starting on page 48 of this AIF.

FORWARD LOOKING STATEMENTS

This AIF contains "forward looking information" and "forward looking statements" (collectively referred to as "**forward looking statements**"). Forward looking statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward looking statements. Often, but not always, forward looking statements can be identified by the use of words such as "guidance", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements in this AIF include, but are not limited to:

- the drilling program to be completed at the Beta Hunt Mine (defined below) and the HGO (defined below), including the type of drilling to be undertaken and the significance of drill results to accurately predict mineralization,
- the results and projections contained in the updated mineral resources estimate in respect of the Beta Hunt Mine and the HGO,
- targeted development milestones relating to the development of the Dumont Nickel-Cobalt Project (defined below),
- the results and projections contained in the Feasibility Study (defined below) and Updated Feasibility Student (defined below), including mineral reserve and resource estimates, ore grade, expected mine life, anticipated nickel, cobalt, platinum and palladium production, nickel, cobalt, platinum and palladium recovery, development schedule, initial capital costs, cash operating and other costs, projected IRR, sensitivity to, among other inputs, metal prices, projected payback period, availability of capital for development and overall financial analyses,
- financing sources available to continue to develop the Dumont Nickel-Cobalt Project and ramp up production at the Beta Hunt Mine and the HGO,
- guidance for production, C1 cash cost, all-in sustaining cost and capital expenditures,
- the geology of the Company's properties;

- the ability to realize upon any mineralization in a manner that is economic,
- the ability to complete any proposed exploration activities and the results of such activities,
- the future financial or operating performance of the Company and its mines and projects,
- the future price of metals,
- the supply and demand for nickel and other metals,
- the estimate of the quantity and quality of mineral resources and mineral reserves,
- costs of production, capital, operating and exploration expenditures,
- the successful integration of HGO,
- costs and timing of the development of planned production at the Dumont Nickel-Cobalt Project, the Beta Hunt Mine and the HGO,
- the ability of the Company to obtain and retain all government approvals, permits and third-party consents in connection with the Company's development activities,
- the Company's ability to raise funding privately or on a public market in the future,
- government regulation of mining operations,
- environmental risks,
- reclamation expenses,
- title disputes or claims,
- the Company's business prospects and opportunities

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others:

- health risks including outbreaks of communicable diseases, such as the novel coronavirus pandemic, and any impact of such outbreaks on operations,
- the actual results of current mining operations and development activities,
- the uncertainties involved in interpreting drill results and other geological data,
- the speculative nature of mineral exploration and development, and the inherent risks involved therein,
    - operating and/or project delays or interruptions and funding needs, including increases in operating and capital costs,
- the global economic climate,

- changes in national, provincial, state, and local government legislation,
- political or economic developments in jurisdictions in which the Company does business or may carry on business in the future,
- fluctuations in currency markets,
- community and non-governmental actions,
- future prices of metals,
- availability of alternative nickel sources or substitutions,
- actual results of reclamation activities,
- conclusions of economic evaluations,
- changes in mine or project parameters as plans continue to be refined,
- the future cost of capital to the Company,
- possible variations of ore or mineralized material grade or recovery rates,
- failure of plant, equipment or processes to operate as anticipated,
- environmental risks,
- 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,
- the possibility of project cost overruns or unanticipated costs and expenses,

as well as those factors discussed in the section entitled "*Risk Factors*" in this AIF. Such forward looking statements are also based on a number of material factors and assumptions, including:

- future nickel and gold prices,
- availability of financing,
- permitting, development and operations consistent with RNC's expectations,
- foreign exchange rates,
- RNC's ability to attract and retain skilled staff,
- prices and availability of equipment,
- that contracted parties provide goods and/or services on the agreed timeframes, and

- that no unusual geological or technical problems occur.

Although the Company 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. **Accordingly, readers should not place undue reliance on forward looking statements.** Forward looking statements contained in this AIF are made as of the date of this AIF or the date specified in such statement and the Company 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

CORPORATE STRUCTURE

RNC was incorporated under the *Canada Business Corporations Act* on December 13, 2006. RNC's registered office, head office and records office is at Suite 1608 – 141 Adelaide Street West, Toronto, Ontario, M5H 3L5. The Company is a reporting issuer in all of the Provinces of Canada. The Company's common shares ("**Common Shares**") are listed on the Toronto Stock Exchange (the "**TSX**"), trading under the symbol "**RNX**".

GENERAL DEVELOPMENT OF THE BUSINESS

RNC is a multi-asset mineral resource company primarily focused on growing gold production and reducing unit costs at its integrated Beta Hunt Mine Gold Mine (the "**Beta Hunt Mine**") and Higginsville Gold Operations ("**HGO**") in Western Australia.

The Company's principal assets are: (i) a 100% interest in the Beta Hunt Mine (represented by a 100% interest in Salt Lake Mining Pty. Ltd. ("**SLM**")); (ii) a 100% interest in HGO (represented by a 100% interest in RNC Holdings Australia Pty Ltd; and (iii) a 28% interest in the Dumont Nickel-Cobalt Project (represented by a 28% interest in Magneto Investments Limited Partnership ("**Magneto**")). RNC also owns (i) a 24% interest in the West Raglan nickel project and the Qiqavik gold project (represented by a 24% interest in Orford Mining Corporation ("Orford")); and (ii) a 13% interest in the Aer-Kidd Project (represented by a 13% interest in Sudbury Platinum Corporation). See "*General Development of the Business*".

Three Year History

2019

- On January 16, 2019, the Company closed its previously announced bought deal and concurrent private placement financing of a total of 19,565,000 Common Shares at a price of $0.46 per common share for aggregate gross proceeds of $8,999,900. Subsequently, on January 18, 2019, RNC announced that the underwriter's over-allotment option had been partially exercised and closed and that, as a result, the financing had been increased to an aggregate total of 19,891,165 Common Shares for gross proceeds of $9,149,936.

- On January 22, 2019 the Company provided its first update regarding the previously announced 40,000 metre drill program at the Beta Hunt Mine. Highlights included:

    - First drilling at Western Flanks to test sediment layer illustrated the potential of sediment to generate high grade coarse gold – intersected 1,017 g/t over 2.00 metres (true width) including 7,621 g/t over 0.27 metres (true width) in hole WFN-029; and

    - Resource definition drilling at A Zone targeting sediment layer and shear near Father's Day Vein intersected 119.37 g/t over 6.4 metres (true width) including 1,406 g/t over 0.50 metres (true width) in hole AZ15-013, located just 7 metres below Father's Day Vein (defined below).

- On February 25, 2019, the Company announced it had implemented changes to its Board of Directors (the "**Board**"). Mr. Paul Andre Huet, who joined the Board on November 18, 2018, was appointed to the role of Executive Chairman of the Company. As Executive Chairman, Mr. Huet planned to take active role working with management to deliver on the strategy of the Company, including the implementation of plans for the Beta Hunt Mine in Western Australia. Mr. Scott Hand, former Executive Chairman of the Board, became Lead Director. Mr. Warwick Morley-Jepson, previously an observer to the Board, joined the Board (replacing Donald McInnis, who retired) and was appointed to the role of Chairman of the Technical Committee.

- Also on February 25, 2019, the Company provided a second update regarding the previously announced 40,000 metre drill program at the Beta Hunt Mine. Highlights included:

    - Further illustration of the coarse gold-sediment association with drill hole WFN-063 yielding an intersection of 2,210 g/t over 0.85 metres (within 395.9 g/t over 4.75 metres) (true width) hosted by quartz-veined pyritic sediment located within 8 metres of the previously released drill intersection in WFN-029, 7,621g/t over 0.28 metres; and

    - Thick drill intersections in the Western Flanks (including: 3.07g/t over 39.13 metres (including 5.24 g/t over 7.05 metres and 4.49 g/t over 10.09 metres) in hole WFN-065, 3.13 g/t over 16.86 metres (including 11.66 g/t over 2.67 metres) and 3.03 g/t over 18.89 metres (including 4.75 g/t over 4.61 metres) in hole WFN-058, and 4.17 g/t over 19.14 metres (including 8.92 g/t over 3.58 metres) and 4.63 g/t over 7.61 metres in hole WFN-045) illustrate the nature of the Western Flanks as a thick, variably mineralized shear zone. These intersections all lie to the north of and outside of the existing Western Flanks resource and provide strong potential for significant additions to the resource.

- On April 18, 2019, the Company closed its bought deal financing of 24,490,000 Common Shares at a price of $0.49 per Common Shares for aggregate gross proceeds of $12,000,100.

- On May 30, 2019, the Company announced results of the Dumont Nickel-Cobalt Project feasibility study. Highlights included:

    - 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; and

    - Phase I C1 cash costs of $2.98/lb ($6,570/t). Life-of-mine C1 cash costs 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).

- On June 11, 2019, the Company announced that it had closed the previously announced acquisition of HGO, including all existing mining, milling and infrastructure, from Westgold Resources Limited for A$50 million, satisfied by way of a cash payment of A$29 million and A$21 million in Common Shares (for a total of issuance of 56.9 Common Shares).

- On June 27, 2019, the Company announced a 390% increase in measured and indicated gold mineral resource for the Western Flanks Zone at the Beta Hunt Mine to 710000k. A total of 16,876 metres of drilling in 144 drill holes were completed at Western Flanks during the current grade control, resource definition and exploration drilling program. Mineralization at Western Flanks was defined across a 1.2 km strike length and to a depth of 150 to 250 metres below the basalt contact. The increase in resource was achieved at a discovery cost of less than $5 per ounce.

- On July 18, 2019, the Company announced that Mr. Mark Selby had resigned as Chief Executive Officer and Mr. Paul Andre Huet was appointed as interim Chief Executive Officer, making him Chairman and interim CEO. The “interim” portion of this title was removed in August 2019.

- On September 20, 2019, the Company announced it closed its bought deal financing, including the partial exercise of the over-allotment option, of an aggregate of 46,156,000 units of the Company (the "**Units**") at a price of $0.40 per Common Share for aggregate gross proceeds of $18,462,400. Each Unit consisted of one Common Share and one-half of one common share purchase warrant (each whole common share purchase warrant, a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share (a "**Warrant Share**") at a price per Warrant Share of $0.50 until September 20, 2021.

- On September 23, 2019, the Company announced the following management appointments: Mr. Graeme Sloan as Managing Director, Australian Operations, Ms. Johnna Muinonen as President, Dumont Nickel, and Mr. Alger St-Jean as Executive Vice President Exploration and Resource Development, Dumont Nickel.

- On October 17, 2019, the Company announced that a high-grade coarse gold discovery was made at the Beta Hunt Mine. An estimated 3,200 ounces of coarse gold was recovered from the 15 Level A Zone approximately 30 metres north of the Father's Day Vein that was uncovered last year.

- On December 19, 2019, the Company announced it had restructured its current royalty held by Morgan Stanley Capital Group Inc. over a number of tenements at HGO. Prior to these amendments, the royalty on these tenements was comprised of a 1.75% NSR plus a 50% participation payment on the difference between realized gold price and AUD$1,340 per ounce (the "**Legacy Rate**"). The restructured royalty provides for a flat 2% NSR after payment of an adjusted Legacy Rate on the first 2,500 gold ounces per quarter which applies to a cumulative total of 110,000 ounces and after a flat 2% NSR on ounces sold in excess of 2,500 per quarter, which becomes payable after the first 37,500 ounces are sold from HGO production in excess of the first 2,500 per quarter.

2018

- On January 12, 2018, the Company announced the completion of equity issuances described in its news release dated December 14, 2017, by issuing 29,750,312 common shares to Auramet International LLC ("**Auramet**") at a price of $0.16 per share and 7,704,167 common shares to other stakeholders at a price of $0.16 per share. RNC has also signed subscription agreements for an additional ten million shares to be issued for cash at $0.16 per share on or before January 17, 2018 as part of a previously announced restructuring.

- On March 22, 2018, the Company announced it had initiated a strategic alternatives process for its 100%-owned the Beta Hunt Mine. PCF Capital Group, based in Perth, Western Australia, and Haywood Securities Inc. were retained as financial advisors for the Beta Hunt Mine strategic review process.

- On April 26, 2018, the Company announced an updated mineral resource estimate as at December 31, 2017 for its Beta Hunt Mine.

- On June 18, 2018, the Company announced the withdrawal of US$12 million of its capital from the Dumont joint venture (the "**Dumont JV**") formed in April 2017 with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Onshore Master, LP (collectively, "**Waterton**"). In order to obtain the withdrawal of these funds, RNC agreed remove the Dumont project conversion cap under the US$10 million four-year Senior Secured Convertible Term Debt Facility (the "**Waterton Facility**") entered into by RNC and Waterton in June 2017.

- On July 23, 2018, the Company announced it had received a conversion notice for the full principal amount of the US$10 million RNC convertible note held by Waterton. The notice was subsequently executed, thereby reducing RNC's interest in the Dumont Nickel-Cobalt JV to approximately 28%.

- On August 23, 2018, the Company announced receipt of positive results from CRU's value-in-use market analysis on RNC's innovative roasting approach on several different nickel concentrates, including the nickel-cobalt concentrate grades expected to be produced by the Dumont Nickel-Cobalt Project. CRU's market analysis determined a significantly higher value from RNC's roasting approach over traditional smelting and refining.

- On September 4, 2018, the Company, in its capacity as Manager of the Dumont Joint Venture, announced that Ausenco Engineering Canada Inc. ("**Ausenco**") had been awarded the contract for a feasibility study update for the Dumont Nickel-Cobalt Project.

- On September 9, 2018, the Company announced a new high-grade gold discovery at its Beta Hunt Mine - the "Father's Day Vein". To date, the Father's Day Vein discovery has yielded over 25,000 ounces of gold, including a 94 kg specimen containing an estimate 1,402 ounces of gold and a 63 kg specimen containing an estimated 893 ounces of gold.

- On November 19, 2018, the Company announced the appointments of Mr. Paul Andre Huet and Mr. Warwick Morley-Jepson to its Board of Directors. Mr. Huet as a Director of RNC and Mr. Morley-Jepson as a Board Observer,

- On November 28, 2018, the Company announced it had initiated a 40,000-metre drill program at its Beta Hunt Mine, focused on expanding the known coarse gold areas while expanding and increasing confidence in the bulk tonnage shear hosted resource. RNC also announced that, in order to focus on high grade coarse gold production and deliver the first phase of the exploration plan, it had temporarily ramped down bulk production mining to allow it to adequately drill off the main shear zone resources and complete an updated resource estimate.

2017

- On April 20, 2017, the Company announced the establishment of the Dumont JV with Waterton. Under the terms of the transaction, Waterton acquired a 50% interest in the Dumont Nickel-Cobalt Project for US$22.5 million ($30 million) in cash. RNC and Waterton each injected US$17.5 million (for a total of US$35 million) into Magneto.

- On May 2, 2017, the Company and the Abitibiwinni First Nation ("**AFN**") announced the signing of an Impact and Benefit Agreement ("**IBA**") for the Dumont Nickel-Cobalt Project. The IBA serves as a framework to govern the relationship with the AFN and lays out the commitments of the parties regarding the impacts and benefits of the Dumont Project. The parties to the IBA are the AFN and the Dumont JV.

- On June 7, 2017, the Company entered into the Waterton Facility. This debt was converted into additional units of the Dumont JV on July 23, 2018.

- On June 20, 2017, the Company announced it had achieved commercial gold production at its Beta Hunt Mine in Western Australia by producing at least 3,500 contained ounces of gold over a one-month period (equivalent to an annualized production rate of 42,000 ounces).

- On August 9, 2017, the Company extended the US$2.5 million unsecured debt facility that was entered into in November 2016, as arranged by Riverfort Global Capital. Under the terms of the extended facility, the lenders advanced US$3 million to RNC, US$1.35 million of which was used to repay the remaining balance currently owing under the facility. As part of the transaction, RNC issued 5.9 million 24 month warrants to the lenders, exercisable at a strike price of $0.24 per share. This facility has been repaid in full.

- On September 19, 2017, the Company entered into a US$4 million 18-month Convertible Term Debt Facility with Pala Investments Limited. This facility has been repaid in full.

- On October 30, 2017, the Company announced the completion of its spin-off of True North Nickel Inc. into a separately listed TSX-V company renamed Orford Mining Corporation (TSX-V: ORM).

- On December 14, 2017, the Company announced that it had restructured its financing package with Auramet to fund the repayment of all obligations under the Senior Secured Gold Loan entered into in October 2016 and provide financial flexibility to support the ramp-up and development of the Beta Hunt Mine. RNC also raised an additional $4.5 million in capital from Pala and other key stakeholders, further strengthening its balance sheet. The Auramet facility has been repaid in full.

Development of the Business - Events Subsequent to December 31, 2019

- On January 6, 2020, the Company announced the appointment of Mr. Chad Williams, P. Eng, to its Board.

- On January 8, 2020, the Company announced record consolidated gold production, since acquiring HGO, of 9,620 ounces for the month of December 2019 from its Beta Hunt Mine and HGO. Given the strong cash generation from its operations, during December 2019 the Company elected to pay down $3 million in debt to reduce interest costs.

- On January 23, 2020, the Company announced the recently completed high density gravity survey program at HGO. The program had identified a newly interpreted structure extending over 5 km north of the previously mined high grade 1.0Moz Trident gold deposit. The new structure is considered to have high potential for mineralization at depth and will be the focus of a new round of drilling by the Company as part of its 2020 exploration program. The Company also announced that Stage 2 of the Baloo open pit had been approved by the Department of Mines, Industry Regulation and Safety.

- On February 6, 2020, the Company filed on SEDAR an independent technical report titled "Technical Report Western Australia Operations – Eastern Goldfields: the Beta Hunt Mine (Kambalda) and Higginsville Gold Operations (Higginsville)" supporting the mineral reserve statement for the Beta Hunt Mine previously reported in the Company's news release dated December 23, 2019.

- On February 27, 2020, the Company announced initial results from the 2020 exploration program at its HGO operations. Recent drilling at Hidden Secret and Mousehollow has returned strong results, driving the expansion of proposed open pit dimensions at both projects. As part of an ongoing review of the historic drilling database at Higginsville, high grade drill intersections have been revealed at the Corona prospect which is located 2.5km from the Higginsville mill. Additionally, RNC was also pleased to announce the discovery of visible gold in a surface sample taken at the Hidden Secret project.

- On March 2, 2020, the Company announced the appointment of Mr. Barry Dahl as Chief Financial Officer.

The Company has been monitoring the COVID-19 outbreak and the potential impact at all of our operations and have put measures in place to ensure the wellness of all of our employees and surrounding communities where we work while continuing to operate. Currently, all corporate personnel travel has been restricted to absolute minimum requirements and employees have been encouraged to work remotely. At our operations in Australia, we have implemented many control measures for dealing with the outbreak of COVID-19. These include pre-screening for symptoms and travel history with possible COVID-19 exposure of any employees, visitors and contractors (site personnel) prior to any travel to or from a site and isolation, where necessary, from the general site population. Each site has implemented restrictions and isolation procedures that are particular to each region's situation and response capabilities. We expect that procedures will continue to evolve according to the World Health

Organization and Center for Disease Control guidelines as more becomes known about the virus. See "*Risk Factors*" for more information.

DESCRIPTION OF THE BUSINESS

RNC is a multi-asset mineral resource company. The Company's operating assets are its 100% interests in the Beta Hunt Mine and HGO, both located in Western Australia. The Beta Hunt Mine is a gold-producing operation held through SLM, a subsidiary of RNC. The Beta Hunt Mine has delivered a number of high-grade coarse gold discoveries, including the Father's Day Vein discovery ("**Father's Day Vein**") announced in September 2018. The Company also holds a 28% interest in the Dumont Nickel-Cobalt Project along with interests in certain other properties, as set out below under "*Mineral Exploration Properties*".

The Beta Hunt Mine

As a result of a series of transactions completed in March and May, 2016, the Company acquired 100% of SLM, a private company whose main asset is a 100% interest in the Beta Hunt Mine. The Beta Hunt Mine is a gold and nickel mine located in the Kambalda mining district of Australia.

The Beta Hunt Mine, located 600 km from Perth in Kambalda, Western Australia, is a deposit that hosts both nickel and gold resources in adjacent discrete mineralized zones. The mining tenements on which the Beta Hunt Mine is located are held by Gold Fields Limited ("**Gold Fields**"). SLM operates the Beta Hunt Mine by virtue of a sub-lease agreement with Gold Fields. SLM acquired the property in 2013 and succeeded in re-combining the nickel and gold rights. Nickel operations were re-started in 2014 and have operated continuously since then. Initial gold production occurred in June to July, 2014 and recommenced at the end of 2015. The mine continues to ramp up, having commenced commercial gold production at the end of June 2017.

The Beta Hunt Mine is owner operated using conventional underground mining methods. All gold processing is conducted at HGO. Nickel mineralization is trucked and toll treated at a third-party toll mill in the Kalgoorlie area.

Production

Beta Hunt Mine mined gold in 2019 was 47,642 ounces and nickel concentrate production was 0.1 kt. On November 28, 2018 the Company announced it had initiated a 40,000 metre drill program at the Beta Hunt Mine, focused on expanding the known coarse gold areas while expanding and increasing confidence in the bulk tonnage shear hosted resource. RNC also announced that, in order to focus on high grade coarse gold production and deliver the first phase of the exploration plan, it had temporarily ramped down bulk production mining to allow it to adequately drill off the main shear zone resources and complete an updated resource estimate. Late in the first quarter of 2019, RNC announced the drilling program had sufficiently advanced to allow for commencement of a limited restart of bulk mining for gold in areas with mine development already in place. In August 2019, an updated Gold Mineral Resource was produced and is the basis of the maiden Gold Mineral Reserve completed in December, 2019. This new Mineral Reserve is the foundation of the mine plan going forward and has facilitated a full ramp-up in production to approximately 55t of mineralized materials per month. Remnant nickel resources are also mined on a small scale the Beta Hunt Mine.

Mineralization

The Beta Hunt Mine Gold Mineral Resources

Resource [1, 2, 3, 4, 5]	**Measured**			**Indicated**			**Measured & Indicated**			**Inferred**		
	kt	**g/t**	**koz**	**kt**	**g/t**	**koz**	**kt**	**g/t**	**koz**	**kt**	**g/t**	**koz**
Western Flanks [6]	447	2.8	40	7,001	3.0	670	7,448	3.0	710	2,481	3.1	250
A Zone [7]	254	2.7	22	2,403	2.7	212	2,657	2.7	234	1,628	3.0	156
Total	701	2.8	62	9,404	2.9	882	10,105	2.9	944	4,109	3.1	406

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.
3. The 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 also 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. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
4. Gold Mineral Resources are reported using a 1.6 g/t Au cut-off grade.
5. Mineral Resources described here are based on information compiled by Paul Ellison, Senior Resource Geologist for SLM. Paul Ellison is an employee of SLM and is a member of the Australasian Institute of Mining and Metallurgy ("**MAusIMM**").
6. Mineral Resource Estimate as of June 26, 2019.
7. Mineral Resource Estimate as of August 9, 2019.

The Beta Hunt Mine Gold Mineral Reserve as at November 1, 2019

Mining Area	Proven			Probable			Total		
	Tonnes kt	Grade g/t	Ounces koz	Tonnes kt	Grade g/t	Ounces koz	Tonnes kt	Grade g/t	Ounces koz
Western Flanks	170	2.7	15	2,900	2.9	260	3,070	2.9	275
A Zone	81	2.9	7.6	300	2.4	23	381	2.5	31
Total	251	2.8	23	3,200	2.8	283	3,450	2.8	306

Notes:

1. The Mineral Reserve is reported at a 2.0g/t cut-off grade
2. Key assumptions used in the economic evaluation include:
   i. a metal price of US$1,400 per oz gold and an exchange rate of 0.69 US$:A$
   ii. Metallurgical recovery of 94%
   iii. Operating Mining Costs - processing and G&A costs of A$111.71/t (excluding capital)
3. The Mineral Reserve is depleted for all mining to November 01, 2019.
4. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number is rounded individually, the table may show apparent inconsistencies between the sum of rounded components and the corresponding rounded total.

Financing and Royalties

The existing royalty obligations for SLM at the Beta Hunt Mine are (i) Consolidated Minerals Pty Ltd, 3% of payable nickel (at a nickel price under A$17,500/t) or 5% (at a nickel price of A$17,500 or greater) until total royalty payments reach A$16 million; (ii) the Western Australian state government, 2.5% of recovered gold and nickel; and (iii) Maverix Metals Inc., 1.5 % of payable nickel less allowable deductions, 6% of recovered gold, and 1.5% of recovered gold less allowable deductions.

Auramet provides a US$5.5 million working capital facility (gold) bearing interest at a rate of LIBOR + 4.5% per annum. Auramet purchases, at market rates, all the gold and nickel from the Beta Hunt Mine during the term of the loan.

For more information, please see Appendix A "*Beta Hunt Mine*".

Higginsville Gold Operations

On June 10, 2019, RNC acquired 100% of HGO. HGO is located approximately 75 km south of the Beta Hunt Mine in Higginsville, Western Australia. The operation includes a 1.4Mtpa processing plant, 192 mining tenements including the, Baloo, Pioneer, Fairplay North, Hidden Secret, Mousehollow, Corona, Pioneer, Mitchell, Wills, Mount Henry and Challenge deposits.

Avoca Resources Limited ("**Avoca**") initially purchased the Higginsville exploration assets from Gold Fields in June 2004. The Trident underground deposit, historically the largest deposit at HGO, was discovered by Avoca in 2004 with mining commencing at the deposit in 2007. In April 2007, Avoca raised A$125 million to commission a new process plant facility at HGO. In that same year, Avoca purchased the neighbouring Chalice deposit from Chalice Gold Mines Limited. Gold production began with the first gold pour on July 1, 2008.

Alacer Gold Corporation, a wholly-owned subsidiary of Alacer Gold, a company incorporated in Canada, acquired HGO after it merged with Avoca in 2011.

On October 29, 2013, Alacer Gold Corporations completed the sale of its Australian Business Unit, which included HGO and its assets, to Westgold Resources Pty Ltd who was a wholly-owned subsidiary of Metals X Ltd at that time.

In July, 2015, Metals X acquired the Mt Henry Gold Project from Panoramic Resources Ltd and Matsa Resources Limited.

Up to December 4, 2016, at which time there was a mine closure, the Trident underground mine produced 7,434,000 tonnes @ 4.4g/t Au for 1,045,000 oz of gold.

On December 1, 2016 Westgold Resources Limited demerged from Metals X Ltd. Avoca remained a subsidiary of Westgold Resources Limited and was part of the resultant demerger.

Production

HGO produced 16,635 gold ounces for the period from June 10, 2019 to December 31, 2019.

During the third quarter of 2019, the Company announced that mining had commenced on Baloo Stage 1 open pit at HGO. Stage 1 is fully permitted, and is expected to generate material to supply the HGO plant with approximately 30,000 tonnes per month. As of the date hereof, the Baloo material is processed at the HGO plant.

On January 24, 2020, RNC received notice from the Department of Mines, Industry Regulation and Safety that mining of Baloo Stage 2 was approved.

Mining of the second stage will follow completion of Stage 1 which is currently scheduled for late June 2020, notwithstanding the potential for further mineralization discoveries within the Stage 1 mining area. To date, grade control and resource definition drilling has continued to add additional expected production to the Stage 1 mine schedule.

As part of the HGO open pit "production pipeline", it is expected that Baloo Stages 1 and 2 will be mined in conjunction with a series of additional open pits commencing with Fairplay North and Pioneer (mining at the former has already begun). Additional resource definition and grade control drilling is underway in a number of other areas to continue to define the pipeline of open pits.

Mineralization

HGO includes a 367,000 ounce historical reserve within a 1.2 million ounce historical measured & indicated gold resource, along with a further 0.7 million ounce historical inferred resource, all located on a 1,800 square kilometer land position in the Kalgoorlie gold region.

HGO Historical Mineral Resources and Reserves

Table 1: HGO Mineral Resources

Higginsville Gold Operations Mineral Resource Statement – Rounded for Reporting 30/06/2018												
	Measured			Indicated			Inferred			Total		
Project	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)
Trident	620	3.75	75	571	5.24	96	714	4.51	1.4	1904	4.48	275
Chalice	266	4.04	35	501	3.55	57	186	4.15	25	953	3.8	116
Corona - Fairplay	2	-	0	944	2.26	69	282	2.95	27	1,228	2.42	96
Vine	-	-	-	190	2.13	13	468	2.04	31	658	2.07	44
Lake Cowan	71	1.63	4	1,191	1.53	58	528	1.34	23	1,790	1.47	85
Two Boys	-	-	-	375	2.04	25	203	2.88	19	578	2.33	43
Mount Henry	1,301	1.88	79	8,147	1.73	453	898	1.83	53	10,347	1.76	584
Paleochannels	-	-	-	1,474	2.15	102	208	2.13	14	1,682	2.15	116
Greater Eundynie	-	-	-	-	-	-	683	1.86	41	683	1.86	41
Polar Bear	-	-	-	1,160	1.9	71	5260	1.67	282	6,240	1.71	353
Musket	107	2.26	8	376	2.33	28	601	1.6	31	1,084	1.92	67
Other	-	-	-	485	1.54	24	603	1.72	33	1,087	1.64	57
Stockpiles	751	0.86	21	258	1	8	-	-	-	1,009	0.89	29
Total	**3,118**	**2.20**	**220**	**15,672**	**1.99**	**1,004**	**10,634**	**1.99**	**681**	**29,424**	**2.01**	**1,906**

Table 2: HGO Gold Mineral Reserves

Higginsville Gold Operations Mineral Reserve Statement – Rounded for Reporting 30/06/2018									
	Proven			Probable			Total		
Project	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)	Tonnes ('000s)	Grade	Ounces Au ('000s)
Trident	-	-	-	-	-	-	-	-	-
Chalice	-	-	-	-	-	-	-	-	-
Corona - Fairplay	-	-	-	286	2.91	27	286	2.91	27
Vine	-	-	-	-	-	-	-	-	-
Lake Cowan	-	-	-	132	1.97	8	132	1.97	8
Two Boys	-	-	-	57	2.12	4	57	2.12	4
Mount Henry	-	-	-	3,236	1.79	186	3,236	1.79	186
Paleochannels	-	-	-	924	2.06	61	924	2.06	61
Greater Eundynie	-	-	-	-	-	-	-	-	-
Polar Bear	-	-	-	707	1.87	43	707	1.87	43
Musket	-	-	-	244	2.42	19	244	2.42	19
Other	-	-	-	193	1.66	10	193	1.66	10
Stockpiles	29	3.63	3	136	1.27	6	164	1.68	9
Total	**29**	**3.63**	**3**	**5,916**	**1.91**	**363**	**5,945**	**1.92**	**367**

Notes:

1. Subsequent to the compilation of the Mineral Resources and Ore Reserve Statement, HGO continued to mine. For the period 1st July 2018 to 31st March 2019, a total of 791kt at 1.54g/t Au (39kozs) was mined from the Mt Henry deposit.
2. The information presented in Tables 1 and 2 is extracted from the report entitled '2018 Annual Update of Mineral Resources & Ore Reserves' dated 2 October 2018 available to view on Westgold Resources Limited's website (www.westgold.com.au) and the ASX (www.asx.com.au). The information herein that relates to Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Jake Russell B.Sc. (Hons) MAIG and Mr Anthony Buckingham B.Eng (Mining Engineering) MAusIMM. Both have sufficient experience which is relevant to the styles of mineralization and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2012 Editions of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC 2012)". RNC confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.
3. A qualified person has not done sufficient work on behalf of RNC to classify the historical estimates noted in Tables 1 and 2 as current mineral resources or mineral reserves and RNC is not treating the historical estimates as current mineral resources or mineral reserves.
4. RNC plans to undertake further evaluation of the Higginsville deposits.

A production decision at HGO was made by previous operators of the mine, prior to the completion of the acquisition of HGO by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision were 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, which include 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 anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

Financing and Royalties

Royalties applicable to the HGO tenements are described below.

- **Morgan Stanley**: The Morgan Stanley royalty was re-structured in December, 2019. The restructured royalty provides for a flat 2% NSR after payment of an adjusted legacy rate on the first 2,500 gold ounces sold per quarter. Details of the restructured royalty are as follows:
    - An adjusted legacy royalty on the first 2,500 ounces sold per quarter comprised of a 1.75% NSR plus a reduced 27.5% participation payment (reduced from 50% previously) on the difference between realized gold price and A$1,340 per ounce. This legacy rate will apply for a cumulative total of 110,000 ounces.
    - A flat 2% NSR on ounces sold in excess of 2,500 per quarter, which will become payable after the first 37,500 ounces, (which excludes legacy ounces) are sold from HGO production.
    - The restructured royalty came into effect on January 1, 2020.
- **Dry Creek**: (a) Avoca Mining Pty Ltd. ("**AMG**") pay Synergy Equities Group Limited (ACN 009 148 529) a royalty of $0.12 per gram of gold per dry metric tonne of royalty ore (mineralised material mined from the applicable tenements which contains an average grade greater than 1gm of gold per dry metric tonne and not classified as waste or low grade); and (b) the royalty is to be adjusted monthly as follows: $0.12 x (price of gold per gram (average Perth Mint purchasing price) / $14).
- **Gindalbie and Trythall**: (a) AMG pay a royalty to Gindalbie Metals Limited (ACN 060 857 614) for ore: (i) transported through the decline on the applicable tenements; and (ii) which has

been treated by any treatment process, at the rate of $3.00/dry tonne and capped at a maximum payment of $500,000, (the Gindalbie Royalty), (b) AMG pay a royalty to William Thomas Trythall in respect of gold mined on the applicable tenements at a fixed rate of $20/oz..

- **Mitchell**: (a) AMG pay a royalty of $32/oz. of fine gold (not less than 0.995 fineness) to Carnegie Corporation Ltd (ACN 009 237 736) and Total Mineral Resources NL (ACN 079 805 253) in equal shares.

- **Ngadju 2002 mining agreement**. The mining agreement between South Kal Mines Pty Ltd and the Ngadju people dated 20 May 2002 has the following continuing obligations relevant to land including the Tenements: (a) an annual payment of $20,000 towards the "Ngadju Education Trust" for the duration of the project operations; and (b) a royalty of up to $5.00/oz. of gold recovered.

- **Ngadju 2018 mining agreement**. The mining agreement between Ngadju Native title Aboriginal Corporation RNTBC, AMG and PMT dated June 12, 2018 has the following continuing obligations relevant to land including the Tenements: (a) an administration contribution of $25,000 per annum when AMG and PMT are not conducting mining operations on applicable tenements, and $50,000 per annum when AMG and PMT are conducting mining activities on the applicable tenements; (b) a scholarship trust contribution of $28,500 per annum; and (c) a production contribution of up to 1%/oz. of gold produced.

- **Brocks Creek**: (a) that AMG pay a royalty of $1 per tonne of ore for all ore mined and milled from the applicable tenements.

- **Polar & Barrick**: (a) PMT pay a royalty equal to all product mined from the tenements x 2% x Net Smelter Return (ie 100% of gross revenue from sale of product less 100% of charges (only if reasonable and arms length) for smelting, assaying and sampling, penalties for impurities, taxes, transportation and insurance of production of product from PMT processing plant.

- **Paynter**: (a) mineral rights above 20 metres will be retained 100% by Noel Paynter, but Avoca has the option to buy out the surface rights at any time for a payment of $1.5 million in cash and/or shares at Noel Paynter's election; (b) Avoca must earn a 90% interest in the mineral rights below 20 metres by spending $250,000 by 10 May 2008; and (c) Noel Paynter retains a 10% interest in the mineral rights below 20 metres that may be converted into a 1% interest in net smelter return if he does not elect to contribute 10% of costs. Avoca has the right to buy out the remaining 10% interest at any time after it earns 90% with a payment of $1 million.

- **Western Australia (State Government)**: A state royalty equal to 2.5% of recovered gold.

For a complete list of mineral tenure information, please see Appendix A "*HGO – Table 1: Mineral Tenure Information*".

For more information, please see Appendix A "*Higginsville Gold Operations*".

Dumont Nickel-Cobalt Project

Overview

The Dumont Nickel-Cobalt Project is located near the town of Amos in the established Abitibi mining camp in the mining-friendly Canadian province of Québec (the "**Dumont Nickel-Cobalt Project**"). Once in production, it is expected to rank as the fifth-largest nickel sulphide operation in the world by annual production – only the mining operations at Norilsk (Russia), Jinchuan (China), Sudbury (Ontario, Canada), Voisey's Bay (Newfoundland and Labrador, Canada) will be larger. Dumont contains the world's second largest nickel reserve and is the largest undeveloped nickel reserve. The cobalt reserve is the ninth largest in the world and is the second largest undeveloped cobalt reserve. An updated feasibility study for the project was completed in July 2019.

2019 Feasibility Study Highlights

The technical report titled the "Technical Report on the Dumont Nickel-Cobalt Project, Launay and Trécesson Townships, Quebec, Canada" dated July 11, 2019 (the "**Feasibility Study**") demonstrates that the Dumont Nickel-Cobalt Project contains approximately 6.1 billion pounds of nickel in the proven and probable reserve categories (a proven and probable reserve of 1,028 million tonnes at 0.27% nickel) and 9.75 billion pounds of nickel resources in the measured and indicated category (a measured resource of 372 million tonnes at 0.28% nickel and an indicated resource of 1.29 billion tonnes at 0.26% nickel). The measured and indicated mineral resources are inclusive of those mineral resources modified to produce mineral reserves. In the inferred resource category there is approximately 2.9 billion pounds of nickel (500 million tonnes at 0.26% nickel). Once in operation, the mine will produce nickel for 30 years. Construction and operation of the mine and processing facilities will be made easier by the existence of excellent infrastructure, including roads, rail and access to low-cost power.

Ores from the mine will be processed using proven, conventional methods into a high-grade nickel concentrate, and then transported for further refining elsewhere. The mine will have no acid-generating rock or tailings, which has beneficial implications for environmental management.

Development of the Dumont Nickel-Cobalt Project is based on a staged approach that results in a processing plant initial treatment rate of 52.5 kt/d of ore with expansion to 105 kt/d in year seven. Highlights of the Dumont Nickel-Cobalt Project from the Feasibility Study, which assumes of long-term nickel price of US$7.75 per pound, include:

- after tax NPV of US$920 million at a discount rate of 8% from commencement of construction;
- after tax IRR of 15.4%;
- Payback of all invested capital (including the expansion) is achieved approximately eight years after initial start-up;
- initial capital expenditure estimate for the 52,500 tpd start-up scenario of US$1,018 million;
- expansion from 52,500 tpd to 105,000 tpd in year seven is estimated to require an additional US$601 million investment;
- initial nickel production of 73 Mlbs (33 kt) annually, expanding in year seven to an annual average of 111 Mlbs (50 kt) for the remainder of the 19-year mine life and average production over the 30-year project life of 90 Mlbs (41kt) annually;
- C1 cash costs of US$2.98/lb (US$6,566/t) during initial phase and US$3.30/lb (US$8,369/t) over life-of-project (low 2nd quartile of cash cost curve);
- ore reserves of 1.02 billion tonnes at a 0.27% nickel grade containing 6.1 billion pounds of nickel to support a 30-year project life including 1.2 billion pounds of contained nickel in proven reserve;
- 0.9 million ounce PGE (platinum + palladium) reserve established; and
- estimated annual average of US$340 million earnings before interest, taxes, depreciation and amortization and US$201 million free cash flow over the 20-year mine life.

Additional potential opportunities exist to improve the economics of the Dumont Nickel-Cobalt Project that were not included in the Feasibility Study:

- **Autonomous Fleet Operation:** 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. Based on 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**").

- **Alternate Development Scenario – 75ktpd Start-up:** A PFS level study by Ausenco evaluated an Alternate Scope that 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 NPV8% of NSR) and a 33% reduction in the time required to complete the expansion

- **Iron Ore (Magnetite) Concentrate – Potential Additional By-product Credit:** The Dumont Nickel-Cobalt Project also has the potential to produce a 63.5%iron magnetite concentrate by-product that could be sold to steel producers to improve the revenue stream for the project.

Development Activity

Since acquiring the Dumont Nickel-Cobalt Project in 2007, RNC has undertaken an aggressive exploration and evaluation program to evaluate and develop the mineral resources and mineral reserves. In a detailed evaluation of the Dumont Nickel-Cobalt Project, RNC completed a more detailed technical report culminating in the current Feasibility Study titled "Technical Report on the Dumont Project, Launay and Trécesson Townships, Quebec, Canada" completed on July 11, 2019 with an effective date of May 30, 2019, as amended and restated on December 19, 2019 (the "**Updated Feasibility Study**").

The Updated Feasibility Study was supported by detailed exploration and evaluation work including, in the aggregate, over 171,000 metres of diamond drilling at regularly spaced intervals in order to delineate the mineral resource, assess the geotechnical properties of the rock and evaluate regional exploration targets on the Dumont Nickel-Cobalt Project. In addition to the resource definition, several programs intended to characterize the deposit and its environment have been undertaken to support development studies. These include geological interpretation studies, deposit and geotechnical modeling, and sampling for metallurgical testing. Detailed laboratory scale metallurgical testing on representative samples from the Dumont Nickel-Cobalt Project has been undertaken leading to a standard flowsheet design and estimate of nickel recovery and concentrate quality.

Negotiations with the AFN to establish an IBA were completed on May 2, 2017. The Company and the AFN announced the signing of an IBA for the Dumont Nickel-Cobalt Project. The IBA serves as a framework to govern the relationship with the AFN and lays out the commitments of the parties regarding the impacts and benefits of the Dumont Nickel-Cobalt Project. The parties to the IBA are the AFN and the RNC-Waterton joint venture.

During 2018, the Company continued its activities in support of the development of the Dumont Nickel-Cobalt Project.

Ongoing efforts and resources are being concentrated on arranging financing and advancing concentrate marketing to provide additional support for RNC's alternate nickel processing for Dumont concentrate.

RNC will continue to work with the local community to maintain excellent communications and relationships throughout all phases of the Dumont Nickel-Cobalt Project development.

For more information, please see Appendix A "*Dumont-Nickel Cobalt Project*".

Waterton Transactions

On April 20, 2017, the Company completed a joint venture transaction with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Onshore Master, LP. Under the terms of the transaction, Waterton acquired a 50% interest in the Dumont Nickel-Cobalt Project, now held by Magneto for US$22.5 million in cash.

RNC and Waterton each injected US$17.5 million (for a total of US$35 million) into Magneto with the objective of acquiring high quality nickel assets globally.

RNC and Waterton have agreed to terms under which Magneto will be governed and, among other matters, the day-to-day management and operations of Magneto, project financing, capital distributions, voting and veto rights, dilution, liquidity and such other matters as are consistent with arrangements of this nature.

Magneto is operated by RNC and is governed by the terms of a limited partnership agreement (and certain other agreements) and a four-person board of directors made up of two appointees from each of RNC and Waterton. Certain matters pertaining to Magneto and its assets will require the unanimous approval of both RNC and Waterton.

On July 23, 2018, the Company received a conversion notice from Waterton relating to a US$10 million RNC convertible note held by Waterton. As a result of the conversion, RNC's interest in the Dumont JV was diluted to approximately 28%. As a holder of a 28% interest, RNC has the right to nominate one of four directors, the right to act as manager and participate in all key decisions, certain veto rights, and certain liquidity rights, obligations and protections (including rights of first refusal and special exit arrangement provisions which, if applicable, would provide that both partners sell their Dumont JV interest at the same price and on the same terms, and, in certain instances, require a 120 day auction process led by a third party financial advisor to ensure the Dumont Nickel-Cobalt Project receives an appropriate market valuation).

Orford Mining Corporation Exploration Properties

On October 30, 2017, the Company announced the completion of its spin-off of True North Nickel Inc. into a separately listed TSX-V company renamed Orford Mining Corporation (TSX-V: ORM). As of the date of this AIF, RNC holds a 24% interest in Orford. Orford's principal assets are the Qiqavik and West Raglan projects comprising of a land package totaling over 80,000 hectares in the Cape Smith Belt of Northern Quebec.

Qiqavik Gold Project

The Qiqavik Property covers the 40-km long Qiqavik Break, part of the Cape Smith Belt event which is of Paleoproterozoic age (1.8-1.9 billion years). This geologic era is marked by its significant metal endowment as illustrated by the important gold districts that occur worldwide related to geological events of Paleoproterozoic age. These include the Flin Flon-Snow Lake Belt, the Ashanti Gold Fields of West Africa, the Tapajos-Parima Belt of Brazil, and the Tanami Region in Australia. The Cape Smith Belt is also home to the Glencore Group's world class Raglan Mine.

Early-stage exploration work completed to date on the Qiqavik Property shows that high-grade gold and copper occurrences are structurally controlled and associated with secondary splay structures located along the district-scale Qiqavik Break Shear Zone which extends the full 40 km length of the Qiqavik Property. Eleven Gold mineralized areas have been discovered across the property. Highlights from exploration include drill intersections grading 2.6 g/t Au, and 2.2% Cu over 7m (including 5.6 g/t Au, and 3.1% Cu over 1.0m) at the Esperance occurrence as well as 0.7 g/t Au over 32m (including 3.1 g/t over 2.8m) at the Interlake occurrence.

Orford is currently in the planning stage for the 2020 exploration season at Qiqavik.

West Raglan Nickel-Copper-PGM Project

West Raglan is located in the west central portion of the Cape Smith Belt in northern Quebec. The Cape Smith Belt hosts prolific, high-grade nickel sulphide deposits, including two producing mines; the Glencore Group's Raglan Mine and the Nunavik Nickel Mine. Highlights from the previous exploration campaigns include 28.28m grading 3.21% Ni, 1.32% Cu, 2.43g/t Pd, 0.65g/t Pt and 10.50m grading 2.78% Ni, 1.21% Cu, 2.78g/t Pd and 0.80g/t Pt. These intersections are very similar to the typical ore from the Raglan mine, which is amongst the richest Ni-Cu-PGM mines in the world. A 2015 prospecting program along 29 km of strike length of the North Raglan trend resulted in three new high-grade mineralization discoveries at surface.

Sudbury Platinum Corporation Exploration Properties

On April 14, 2014, RNC announced that it had gained exposure to the highly prospective Aer-Kidd nickel-copper-platinum group metals project in Sudbury through the acquisition of an approximate 25% interest in Sudbury Platinum Corporation ("**SPC**") for cash consideration of $1.5 million. SPC, a private subsidiary of Transition Metals Corp., holds a 100% interest in the mineral rights of the Aer-Kidd property and the Lockerby East property both located in the Sudbury Basin. As of the date of this AIF, RNC holds a 13% interest in SPC. On December 12, 2019, SPC announced a definitive agreement for a proposed reverse takeover of Edison Cobalt Corp (TSX-V: "EDDY"). It is expected that the resulting public issuer will be renamed "SPC Metals Corp". Completion of the transaction is subject to a number of closing conditions, including but not limited to, TSX Venture Exchange approval and, if applicable, disinterested shareholder approval.

The Aer-Kidd property covers approximately 1.3 kilometers of the Worthington Offset Dyke located near Worthington, Ontario in the Sudbury Basin area. Past production on the Aer-Kidd property has come from numerous shallow underground and surface workings (Howland Pit, Rosen and Robinson Deposits). The Aer-Kidd property is located centrally between two significant known resources also on the Worthington offset, Vale's Totten mine and KGHM's Victoria project. The Lockerby East Property is adjacent to the past producing Lockerby Mine and hosts the past producing LKE Deposit.

Employees

As at December 31, 2019, the Company had a total of 173 employees.

Market Overview

RNC's primary product is gold.

Gold

Gold is traded on the world markets. Gold prices averaged US$1,393 per ounce during 2019, 10% higher than the average price of US$1,268 per ounce in 2018. Gold prices fluctuate widely and are affected by numerous factors, including central bank purchases and sales, producer hedging and de-hedging activities, expectations of inflation, investment demand, the relative exchange rate of the U.S. dollar with other major currencies, interest rates, global and regional demand, political and economic conditions, production costs in major gold-producing regions, speculative positions taken by investors or traders in gold and changes in supply, including worldwide production levels.

Competitive Conditions

Metal exploration and mining is a competitive business. The Company competes with numerous other companies and individuals seeking to: (i) acquire attractive nickel, gold, copper and other properties, such as platinum group metal, molybdenum and chromium properties; (ii) engage qualified service providers and labour; and (iii) source equipment and suppliers. The ability of the Company to successfully acquire and develop metal properties in the future will depend not only on its ability to operate and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploration and development. See "*Risk Factors - Competition*".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Health and Safety

Safety is our number one priority at all operations. In 2019, our Total Recordable Injury Frequency Rate ("**TRIFR**") at the Beta Hunt Mine for 2019 averaged 32.9, which shows an improvement over the first quarter of 2019, which averaged over 35. At HGO, TRIFR averaged 12.2 for 2019, which is below the first quarter 2019 average of 15. Despite an improved overall position at year end, there is still room for continued improvement and RNC is

committed to further enhancing its safety performance. RNC has recently introduced an integrated program across both sites with a focus on safety leadership.

We remain diligent and are constantly looking to implement further measures to prevent any accidents. See "*Risk Factors*" for more information.

Community Relations

We recognize that, as a mining company seeking to establish and operate significant and impactful projects, we require a social license from the various stakeholders in our project communities. We work hard to nurture these relationships.

Beta Hunt Mine

The Beta Hunt Mine is located between the local communities of Kambalda (60km north) and Norseman (52km north). RNC is committed to working in partnership with these communities in a manner which fosters active participation and mutual respect. This is supported by RNC's strategy of employing local people at our mine-site wherever possible and using local vendors to supply the mine with equipment and services. The policy has realised in a change from a fly-in/flyout ("**FIFO**") dominated workforce 12 moths ago, to a workforce that is now 70% residential. With respect to local business, the Beta Hunt Mine uses over 100 vendors based in the Goldfields, which includes the Kambalda and Kalgoorlie communities. The majority of the current workforce of approximately 90 persons is accommodated within these two communities. The recent downturn in base metal prices and associated premature and unplanned closure of nearby mines, including placing the BHP nickel concentrator on care and maintenance, has resulted in a pool of local labour that is available to meet the increased staffing requirements as the Beta Hunt Mine gold operation ramps up.

HGO

Higginsville is located close to the local communities of Kambalda (2km west) and Kalgoorlie (60km north). RNC is committed to working in partnership with these communities and the local Ngadju native title holders in a manner which fosters active participation and mutual respect. At HGO, 26% of employees are residents from the local Goldfields region. The Ngadju's people have traditional ownership over the Higginsville tenure. RNC regularly consult with the Ngadju Native Title Aboriginal Corporation ("**NNTAC**"), who act as an agent for the native title rights and interests of the Ngadju people of southern Western Australia. RNC is committed to co-operatively recognising the rights and interest of the Ngadju people, which include the promotion of their economic self-sufficiency, the ability and access to live on their traditional lands, the protection of their natural environment and resource, the identification and protection of Aboriginal sites, to ensure material benefits are available to the Ngadju people to enhance their lifestyle through community and cultural development activities which improve their standard of health, employment and education opportunities, as well as allowing participating in the operation through employment, training and contracting opportunities. As part of the arrangements in place with the Ngadju people, RNC contributes to various social and economic funds run by NNTAC, as well as provides compensation for use of the land.

All of the current workforce, approximately 56 persons, is accommodated on site during their rotation periods. Most workers permanently reside in Perth and FIFO of Perth to attend site on either an 8 days-on/6 days-off or 14 days-on/7 days-off rotation. The FIFO workers are supplemented by workers who reside in closer regional towns such as Norseman, Kambalda, Kalgoorlie and Esperance.

Dumont Nickel-Cobalt Project

Mindful of the interest shown by host communities following the announcement of the Dumont Nickel-Cobalt Project, RNC voluntarily initiated a public information and consultation process during the exploration phase. The process aims to ensure effective communication and dissemination of information about the project, and to document the concerns, comments and suggestions of the host communities to refine the technical and economical studies where possible and has helped define the content of the environmental impact study.

All information and consultation activities were documented, and concerns expressed by the stakeholders were compiled. Results of consultations were submitted to the relevant authorities and filed as a public document on RNC's website.

In May 2017, RNC and the local Algonquin First Nation Conseil de la Première nation Abitibiwinni ("**PNA**") announced the signing of an Impact and Benefit Agreement ("**IBA**") for the Dumont Nickel-Cobalt Project. RNC's interest in the agreement was assigned to the Dumont JV at the time of the joint venture transaction. Consequently, the parties to the IBA are PNA and the Dumont JV. The IBA serves as a framework to govern the relationship with the PNA and lays out the commitments of the parties regarding the impacts and benefits of the Dumont Project. The parties to the IBA are the PNA and the RNC-Waterton nickel joint venture. The IBA provides for meaningful PNA participation in the Dumont Nickel-Cobalt Project through training, employment, business opportunities, collaboration in environmental protection and other means.

RNC intends to continue stakeholder consultation during the development and operating stages of the project to minimize and/or mitigate the impact of the project and foster acceptance. Consultation activities will be planned to share the results of the updated feasibility study.

Corporate Governance

In 2019, we continued to emphasize corporate responsibility by maintaining an unwavering focus on responsibly growing our business. With the support and oversight of our Board, we are committed to conduct our business in ways that are ethical, transparent and accountable to stakeholders. We believe a transparent culture of corporate governance and ethical behaviour in decision-making is fundamental to the way we do business.

With this in mind, RNC made numerous governance improvements since the beginning of 2019, including the following:

- The Board approved certain amendments to the Share Incentive Plan of the Company (the "**Share Incentive Plan**") intended to provide for reasonable levels of share based compensation. The Share Incentive Plan provides for the issuance of stock options ("**Options**") and other equity-based awards ("**Awards**") including share appreciation rights, restricted shares, restricted share units ("**RSUs**"), deferred share units, performance shares and performance share units. These amendments were approved by shareholders of the Company on May 15, 2019 and included: (i) adding an annual grant limit (with certain limited exceptions) to each non-employee director to a maximum value of $100,000 worth of Options and $150,000 worth of share-based Awards; and (ii) amending the Share Incentive Plan to remove ability to cancel and re-grant or amend the purchase price of an Option or Award at a price below the exercise price of such Option or Award determined on the date of grant without the prior approval of shareholders.

- We appointed Mr. Chad Williams to our Board. Mr. Williams is well qualified, independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), and has significant capital markets experience.

- The Board adopted a Diversity Policy in order to foster its commitment to a Board with diverse skills and backgrounds to help to create a business environment that encourages a range of perspectives and fosters excellence in the creation of shareholder value.

Environmental Impact & Sustainability

Environmental Protection

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, provincial and local laws and regulations governing environmental protection, remediation and other matters. Compliance with such laws and regulations increases the costs of, and delays planning, designing, drilling and developing the Company's properties.

Beta Hunt Mine

The Beta Hunt Mine comprises a single underground mine with no associated processing infrastructure making for a has a limited disturbance footprint. Its environmental impact is correspondingly modest. Based on our experience, the key environmental considerations are waste rock, water management and mine rehabilitation and related activities to be undertaken when the mine is closed. Both waste rock management and mine dewatering is undertaken in accordance with relevant statutory permits and licence conditions. Closure costs for mine rehabilitation are estimated at approximately A$0.9M (MBS Environmental, 2018 – *the Beta Hunt Mine Closure Cost estimate* – prepared for SLM) and form part of the Life-of-Mine plan. Please see Appendix A "*the Beta Hunt Mine – Infrastructure, Permitting and Compliance Activities – Environmental*".

HGO

HGO comprises two operating open-pit mines, a mineral processing facility and tenement holdings of 1800km^2. As a consequence, HGO has a significant disturbance footprint including tailings storage facilities, historical (inactive) underground and open-pit mines and haul roads. To manage and monitor the impact of the environmental disturbance, the operation at HGO completed both flora and fauna baseline studies at mine start-up (historical - 2006). More recently RNC has conducted a Fauna Assessment, a Salt Lake Ecological Survey, Flora Survey and Waste Rock Characterisation studies for the recently developed Baloo open-pit mine. As part of its statutory commitments, Higginsville has in place all required licences and permits to mine, process, extract groundwater and dispose of processing waste (tailings). RNC is committed to ensuring all statutory requirements are met for the long-term sustainability of the environment where the company explores and develops its mines. An-un-audited mine closure estimate as at June 10, 2019 demonstrated a rehabilitation liability accruing to Higginsville for the disturbance of tenements at A$22.3M. Please see Appendix A "*Higginsville Gold Operations – Infrastructure, Permitting and Compliance Activities – Environmental*".

Dumont Nickel-Cobalt Project

Environmental baseline studies have not identified any specific inordinate environmental risk to project development. Environmental sensitivities are primarily related to potential impacts associated with the scale and footprint of the proposed operation, and the composition of materials being handled and impounded on the site. Principal impacts anticipated at this stage relate to air quality, wetlands, fish habitat, water resources (surface and groundwater), and the social environment. Although, there are some sensitive elements in the surrounding footprint, the optimization work conducted on the mining plan and design significantly eliminate or reduce significantly the effect of the project on these components.

The Dumont Nickel-Cobalt Project received a Provincial Certificate of Authorization from the Quebec Ministry of Sustainable Development, Environment and the Fight Against Climate Change in July 2015 and received a positive Environmental Assessment Decision from the Federal Minister of the Environment in July 2015.

DIVIDEND RECORD AND POLICY

RNC has not, since the date of its incorporation, declared or paid any dividends on its Common Shares. For the foreseeable future, RNC anticipates that it will retain future earnings and other cash resources for the operation and development of its business. The payment of dividends in the future will depend on RNC's earnings, if any, and financial condition and such other factors as the directors of RNC consider appropriate.

CAPITAL STRUCTURE

General Description of Share Capital

Common Shares

RNC is authorized to issue an unlimited number of Common Shares without par value. As of the date of this AIF, there were 608,249,449 **Com**mon Shares of RNC issued and outstanding as fully paid and non-assessable. See also "*General Development of the Business - Events Subsequent to December 31, 2019*".

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company, except meetings of holders of another class of shares, and at all such meetings shall be entitled to one vote for each Common Share held. Subject to the preferences accorded to holders of any other shares of the Company ranking senior to the Common Shares with respect to the payment of dividends, holders of Common Shares are entitled to receive, if and when declared by the Board, such dividends as may be declared thereon by the Board on a pro rata basis. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Company, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs (a "**Distribution**"), holders of Common Shares are entitled, subject to the preferences accorded to the holders of any other shares of the Company ranking senior to the Common Shares, to a pro rata share of the remaining property of the Company. The Common Shares carry no pre-emptive, conversion, redemption or retraction rights. The Common Shares carry no other special rights and restrictions other than as described in this AIF.

Special Shares

RNC is authorized to issue an unlimited number of special shares ("**Special Shares**") without par value. As of the date of this AIF, no Special Shares of RNC have been issued.

The Special Shares will be issuable at any time and from time to time in one or more series. The Board will be authorized to fix before issue the number of, the consideration per share of, the designation of, and the rights, privileges, restrictions and conditions attaching to, the Special Shares of each series, which may include voting rights, the whole subject to the issue of a certificate of amendment setting forth the designation of, and the rights, privileges, restrictions and conditions attaching to, shares of the series. The Special Shares of each series will rank on a parity with the Special Shares of every other series and will be entitled to preference over any other shares ranking junior to the Special Shares with respect to payment of dividends or a Distribution. If any cumulative dividends or amounts payable on a return of capital are not paid in full, the Special Shares of all series will participate rateably in respect of such dividends and return on capital.

Options

As of the date of this AIF, RNC has (i) outstanding options to acquire an aggregate of up to 26,365,501 Common Shares at a weighted average exercise price of $0.35; and (ii) outstanding common share purchase warrants (issued as part of past financings) to acquire an aggregate of up to 25,073,589 Common Shares at an exercise price of $0.50. RNC also has 784,343 Deferred Share Units and 4,468,041 Restricted Share Units outstanding. As of the date of this AIF, 26,365,501 Common Shares, 25,073,589 Common Shares and 5,252,384 Common Shares were reserved for issuance upon the exercise of such options, warrants and share units, respectively.

RNC's 2010 share incentive plan, as amended and restated on March 26, 2013 (the "**Plan**"), provides for the granting of equity-based compensation securities, including options and awards for the purpose of advancing the interests of RNC through the motivation, attraction and retention of key officers, directors, employees and consultants of RNC. The Plan provides that the maximum number of Common Shares issuable upon the exercise of share options and made available as other equity-based awards, in aggregate, shall not exceed 15% of the issued and outstanding Common Shares/Compensation from time to time.

At the time of grant or thereafter, the Compensation Committee of the RNC Board may determine when an option will vest and become exercisable and may determine that the option shall be exercisable in instalments on such terms as to vesting or otherwise as the committee deems advisable subject to the rules of the TSX, if any. Unless otherwise determined by the committee, options will vest and become exercisable, as to one third of the options granted, on each of the first, second and third anniversaries of the date of grant, provided that the participant is an eligible employee, eligible director, consultant or other participant at the time of vesting. Under the Plan, the expiry date of options may not exceed ten years from the date of grant.

Debt

In June 2019, the Company announced a $35 million credit facility which has an initial term of 12 months, extendable at RNC's option for up to two additional periods of six months, provided RNC remains in compliance with the terms of the facility. The facility does not require repayment of principal until the expiry of the term, and bears interest at a rate of 10% per annum paid monthly. A 1% cash commitment fee was paid at closing, along with a 2% share fee that was satisfied by the issuance of 1.46 million common shares of the Company. In December 2019, an early principal repayment of $3,000,000 was made.

In 2017, RNC entered into a loan facility with Investissement Quebec ("**IQ**") under which IQ agreed to make available to RNC up to $500,000 in support of certain qualifying expenses. This loan was made on the following terms: (i) RNC is required to repay the loan by making 60 monthly principal re-payments in the amount of $10,000 starting in February 2018; (ii) the loan expires in 2023; (iii) the rate of interest is prime plus 0.25%; and (iv) the loan is secured by a general security agreement granted by RNC over certain personal and intangible property. Total principal owing to IQ as at December 31, 2019 was $324,000.

MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSX under the symbol "RNX". The following table sets forth the closing price range (high and low) of the Common Shares, along with the volumes traded for the periods indicated:

	Common Shares		
2019	**High**	**Low**	**Volume**
January	$0.79	$0.46	96,972,862
February	$0.76	$0.56	62,685,746
March	$0.60	$0.50	33,787,449
April	$0.51	$0.40	34,168,056
May	$0.47	$0.36	25,441,750
June	$0.73	$0.42	107,445,830
July	$0.65	$0.50	25,712,532
August	$0.57	$0.39	40,386,734
September	$0.42	$0.33	45,459,035
October	$0.40	$0.33	21,940,362
November	$0.46	$0.37	23,036,062
December	$0.52	$0.40	31,570,592

PRIOR SALES

There are no securities of the Company that were sold but not listed on the TSX during the most recently completed financial year of the Company.

DIRECTORS AND OFFICERS

Directors and Officers

The following table sets forth information regarding the Company's directors and officers as of the date of this AIF. All directors are appointed for a one-year term and directors are re-elected annually at the general meeting of the Company's shareholders.

Name and Municipality of Residence and Date first became a Director/Officer	Position with the Company	Principal Occupation(s)
DIRECTORS		
Peter Goudie[(1)(2)(4)] Seaforth, NSW, Australia July 17, 2008	Director	Corporate Director
Scott M. Hand[(1)(3)(4)] Lenox, Mass., USA June 27, 2008	Lead Director	Corporate Director
Paul Huet[(4)] Reno, Nevada, USA November 19, 2018	Chairman and Chief Executive Officer	Chairman and Chief Executive Officer, RNC
Wendy Kei [(1)(2)(3)] Toronto, Ontario June 28, 2018	Director	Corporate Director
Frank Marzoli[(1)(2)(3)] Montreal, Quebec May 11, 2007	Director	President, CEO and Chairman, Marbaw International Nickel Corporation
Warwick Morley-Jepson[(1)(2)(3)(4)] South Africa February 25, 2019	Director	Corporate Director
Chad Williams Toronto, Ontario January 6, 2020	Director	Chairman and Chief Executive Officer, Blue Thunder Mining Inc.
OFFICERS		
Paul Huet[(5)] Reno, Nevada, USA July 18, 2019	Chairman and Chief Executive Officer	Chairman and Chief Executive Officer, RNC
Barry Dahl[(6)] Toronto, Ontario March 2, 2020	Chief Financial Officer	Chief Financial Officer, RNC
Tim Hollaar Oakville, Ontario January 1, 2015	Vice President, Finance	Vice President, Finance, RNC

Name and Municipality of Residence and Date first became a Director/Officer	Position with the Company	Principal Occupation(s)
Johnna Muinonen Sudbury, Ontario August 9, 2010	Vice President, Dumont Nickel	Vice President, Operations, RNC
Alger St. Jean Sudbury, Ontario April 30, 2007	Vice President, Exploration & Resource Development, Dumont Nickel	Vice President, Exploration, RNC

Notes:

1. Member of the audit committee of the Board (the "**Audit Committee**"). Ms. Kei is the Chair of the Audit Committee.
2. Member of the compensation committee of the Board (the "**Compensation Committee**"). Mr. Goudie is the Chair of the Compensation Committee.
3. Member of the corporate governance and nominating committee of the Board (the "**Corporate Governance and Nominating Committee**"). Mr. Hand is the Chair of the Corporate Governance and Nominating Committee.
4. Member of the technical, health, safety and environment committee of the Board (the "**Technical, Health, Safety and Environment Committee**"). Mr. Morley-Jepson is the Chair of the Technical, Health, Safety and Environmental Committee.
5. Mr. Huet was appointed Chief Executive Officer on July 18, 2019 following the resignation of former President and Chief Executive Officer, Mark Selby.
6. Mr. Dahl was appointed Chief Financial Officer on March 2, 2020.

As of the date of this AIF, the directors and executive officers of the Company and collectively beneficially own, directly or indirectly, or exercise control and direction over approximately 9.1 million Common Shares representing, in the aggregate approximately 1.5% of the issued and outstanding Common Shares.

Biographies

Biographical information for each member of the Board and management team is set forth below.

Peter Goudie — Director

Mr. Goudie was Executive Vice President (Marketing) of Inco Limited and then Vale Inco from January 1997 to February 2008. Mr. Goudie was also responsible for the strategy, negotiation, construction and operation of Inco's joint venture production projects in Asia. He was employed with Inco since 1970 in increasingly more senior accounting and financial roles in Australia, Indonesia, Singapore and Hong Kong, before becoming Managing Director (later President and Managing Director) of Inco Pacific Ltd. in Hong Kong in 1988. He is an Australian CPA.

Scott M. Hand — Lead Director

Mr. Hand is the Lead Director of the Company, a position held since February 2019. He served as the Executive Chairman of the Company from November 2009 until February 2019. He is also Executive Chairman of Kharrouba Copper Company Inc. (copper mining in Morocco) and a director of Boyd Technologies LLC (non-woven materials), Universal Helicopters Newfoundland and Labrador LP (a Labrador Inuit controlled company), and the Massachusetts Museum of Contemporary Art. Mr. Hand was the Chairman and Chief Executive Officer of Inco from April 2002 until he retired from Inco in January 2007. Prior to that, Mr. Hand was President of Inco and held positions in Strategic Planning, Business Development and Law. Mr. Hand received a Bachelor of Arts from Hamilton College and a Juris Doctorate from Cornell University.

Paul Huet – Chief Executive Officer and Executive Chairman of the Board

Mr. Huet is the Executive Chairman of the Company, a position held since February 25, 2019. He is also a Chairman and CEO of Paragon Geochemical and a director of Havilah Mining Corporation. Previously, Mr. Huet

was President, CEO and Director of Klondex Mines from 2012 - 2018, until its acquisition by Hecla Mining Company. Paul has a strong command of capital markets and has served in all levels of engineering and operations of Mining.

Wendy Kei - Director

Ms. Wendy Kei currently serves on the boards of Ontario Power Generation Inc. where she is Chair of the Board and Guyana Goldfields Inc. (TSX: GUY) where she is the Chair of the Audit Committee. She also serves as a member of the Department of Audit Committee for Transport Canada. Ms. Kei is an accomplished Finance Executive with over 25 years of business experience in a variety of industries. Ms. Kei previously served as Chief Financial Officer of Dominion Diamond Corporation. Ms. Kei is a member of the Chartered Professional Accountants of Ontario, holds an ICD.D designation from the Institute of Corporate Directors and holds a Bachelor of Mathematics from the University of Waterloo. Ms. Kei was selected as a Diversity 50 2016 Candidate by the Canadian Board Diversity Council.

Frank Marzoli — Director

Mr. Marzoli is the President, Chief Executive Officer and Chairman of Marbaw International Nickel Corporation, a position held since December 2006 and was a co-founder of Royal Nickel Corporation. He is also the President, Chief Executive Officer and sole director of Marzcorp Oil & Gas Inc. since July 2008 and is the President of Kharrouba Copper Mining. Mr. Marzoli Marbaw held a 100% interest in the Marbaw Claims, which were sold to RNC in March 2007. In 1971, Mr. Marzoli joined the import business specializing in Asian countries. In 2004, Mr. Marzoli left the import business to pursue the resource sector full time. Mr. Marzoli's overseas experience gives him the knowledge and expertise regarding applicable mining legislation in foreign countries.

Warwick Morley-Jepson – Director

Mr. Morley-Jepson previously served as Executive Vice President and Chief Operating Officer of Kinross Gold Corporation from October 2014 to December 2016, and as Senior Vice President, Operations, and Regional Vice President - Russia, between October 2009 and October 2014. Prior to joining Kinross, Mr. Morley-Jepson served as Chief Executive Officer of SUN Gold and was Managing Director of Barrick Africa, Barrick Platinum South Africa and three Russian-based companies in the Barrick group. He spent several years with Placer Dome leading their South African project and business development efforts. He was appointed as EVP and Chief Operating Officer of Ivanhoe Mines in August 2019 and as Chairman of Wesdome Gold Mines in June 2019. Two positions that he currently holds.

Chad Williams, P. Eng – Director

Mr. Williams has an extensive background in mining finance and business management. He is currently the Chairman and Founder of Red Cloud Securities and Blue Thunder Mining Inc. In addition to this, Mr. Williams is a director of several emerging mining companies and a founder of Agilith Capital Inc., as well as Westwind Capital Inc. He is also the former CEO of Victoria Gold Corp., as well as the former Head of Mining Investment Banking at Blackmont Capital Inc. Prior to these positions, Mr. Williams was a top-ranked mining analyst at TD Bank and other Canadian brokerage firms in Toronto. Mr. Williams is currently a member of the Association of Professional Engineers of Ontario, having received a Bachelor of Engineering degree from McGill University before going on to receive his MBA from the same alma mater.

Barry Dahl – Chief Financial Officer

Mr. Dahl is the Chief Financial Officer of the Company. Mr. Dahl is a seasoned CFO in the mining sector and has over 30 years of financial and operational leadership. Prior to joining RNC, Mr. Dahl was the CFO of TSX listed Excelsior Mining Corp. Previously he held CFO roles at Klondex Mines, which where he was instrumental in various equity financings, negotiated royalty and streaming contracts and established crucial financing lines. He also previously served as CFO at Argonaut Gold. Mr. Dahl is a CPA and earned an MBA with distinction from New York Institute of Technology and a bachelor of science degree in accounting from Brigham Young University.

Tim Hollaar, B.A., CPA, CA – Vice President, Finance

Mr. Hollaar is the Chief Financial Officer of the Company. Prior to joining the Company in 2015, Mr. Hollaar was Corporate Controller of North American Palladium (2013-2014), prior to which he provided financial management consulting services to the Company (2010-2012). Mr. Hollaar was previously Group Financial Controller of Norilsk Nickel International (2008-2009). Before joining Norilsk, he worked sixteen years in senior nickel finance roles at Vale Canada, BHP, and WMC Resources Marketing Limited. Mr. Hollaar is a member of the Chartered Professional Accountants of Ontario and holds a B.A. (Business Administration) degree from Dordt College.

Johnna Muinonen, P. Eng. — Vice President, Dumont Nickel

Ms. Muinonen is the President, Dumont Nickel, of the Company. Ms. Muinonen has been with RNC since 2010 and has over 20 years of industry experience. Prior to joining RNC, Ms. Muinonen was employed by Vale (formerly Vale Inco) for 9 years. While with Vale, she spent 5 years in Thompson, Manitoba working in the concentrator in various positions of increasing responsibility which culminated in an appointment to Mill Manager from 2005-2007. From 2007-2010, immediately prior to joining the Company she was a Project Manager in Vale's Corporate Business Development Group leading studies at both the scoping and pre-feasibility level for Vale's ultramafic nickel deposits in Canada. Ms. Muinonen is a Professional Engineer registered with the Professional Engineers of Ontario. She holds a Bachelor of Science in Mining Engineering from Queen's University.

Alger St-Jean, P. Geo, M.Sc., B.Sc. — Executive Vice President, Exploration and Resource Development – Dumont Nickel

Mr. St-Jean is the Executive Vice President Exploration and Resource Development – Dumont Nickel of the Company. Mr. St-Jean has been with RNC, a position held since April 2007. Prior to joining RNC, Mr. St-Jean was Senior Geologist for Xstrata Nickel (previously Falconbridge Limited) and was responsible for the management, design and implementation of nickel exploration programs at Falconbridge Limited. Mr. St-Jean is a Professional Geologist registered with the Association of Professional Geologists of Ontario and holds a Master of Science degree from McGill University and a Bachelor of Science degree from St. Francis Xavier University. Mr. St-Jean is also a director of Orford Mining Corporation, Kharrouba Copper Corp. and Sudbury Platinum Corporation.

Corporate Cease Trade Orders

Except as disclosed below, none of the directors or executive officers of RNC is, or has been within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that (i) while such person was acting in that capacity was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any statutory exemptions under Canadian securities legislation, in each case for a period of more than 30 consecutive days (each, an "**Order**") or (ii) was subject to an Order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in the capacity as director, chief executive officer or chief financial officer.

- Scott M. Hand was a director of Royal Coal Corp. during the period from August 2010 until May 2012. On May 3, 2012, a cease trade order was issued against Royal Coal Corp. by the Ontario Securities Commission for failure to file annual financial statements. On May 17, 2012, Royal Coal Corp. announced that it received notice from the TSX Venture Exchange that the TSX Venture Exchange had suspended trading in Royal Coal Corp.'s securities as a result of the cease trade order.

Bankruptcies

None of the directors or executive officers of RNC or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been within the 10 years before the date of this AIF, a director or executive officer of any company that while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating

to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets:

Personal Bankruptcies

None of the directors or executive officers of RNC or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

Penalties and Sanctions

None of the directors or executive officers of RNC or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, the Company's directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which the Company may participate or enter into contracts with the Company, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that a conflict of interest arises at a meeting of the directors of the Company, such conflict of interest must be declared and the declaring parties must abstain from participating and voting for or against the approval of any project or opportunity in which they may have an interest. Provided such steps are followed and subject to any limitations in the Company's constating documents, a transaction would not be void or voidable because it was made between the Company and one or more of its directors or by reason of such director being present at the meeting at which such agreement or transaction was approved. The remaining directors will determine whether or not the Company will participate in any such project or opportunity.

To the best of the Company's knowledge, other than as set forth in this AIF, there are no known existing or potential conflicts of interest among the Company, directors, officers or other members of management of the Company as a result of their outside business interests.

The directors and officers of the Company are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

AUDIT COMMITTEE INFORMATION

The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company. In accordance with NI 52-110, information with respect to the Company's audit committee is contained below.

Audit Committee Charter

A copy of the Audit Committee Charter, which was approved by the Board on March 24, 2020, is attached hereto as Appendix B.

Composition of Audit Committee

The Audit Committee is composed of Wendy Kei (Chair), Peter Goudie, Frank Marzoli and Scott Hand, all of whom are "independent" directors and financially literate within the meaning of NI 52-110.

Relevant Education and Experience

For details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee, see "*Directors and Officers*".

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for the pre-approval of non-audit services to be provided by the Company's independent auditors. As a general policy, all services provided by the independent auditors must be pre-approved by the Audit Committee. Unless a service has received general pre-approval from the Audit Committee, it will require specific pre-approval by the Audit Committee. When specific pre-approval is required, the Audit Committee has delegated the authority to the Chair of the Audit Committee.

External Audit Fees

The fees billed by the Company's external auditors for the last two fiscal years are as follows:

Financial Year Ending	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
2019……	$1,210,403	$391,912	$142,503	$9,050
2018 ……	$443,217	$35,700	$153,748	$5,701

Notes:

1. Fees charged for audit, review, prospectus work, NI 52-109 compliance and accounting matter consultation.
2. Fees charged for French translation of interim financial statements and financial due diligence.
3. Fees charged for preparation of income tax and mining duties returns and audit support.
4. CPAB.

RISK FACTORS

Overview

The Company's business consists of the acquisition, exploration, development and mining of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise or risks now thought to be immaterial may become material. No guarantee is provided that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company.

The Company faces risks related to COVID-19 and other outbreaks of communicable diseases, which could significantly disrupt our operations and may materially and adversely affect our business and financial conditions.

Our business could be adversely impacted by the effects of the coronavirus or other epidemics. In December 2019, a novel strain of the coronavirus (COVID-19) emerged in China and the virus has now spread to several other countries, including Canada, Australia and the U.S., and infections have been reported globally. The extent to which the coronavirus impacts our business, including our operations and the market for our securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the outbreak and the actions taken to contain or treat the coronavirus outbreak. In particular, the continued spread of the coronavirus globally could materially and adversely impact our business including without limitation, employee health, workforce productivity, supply chain impacts, increased insurance premiums, limitations on travel, the availability of industry experts and personnel, restrictions to our drill program and/or the

timing to process drill and other metallurgical testing, requiring a partial or full suspension of mining operations causing a halt in all or a portion of our operations for an indefinite amount of time and other factors that will depend on future developments beyond our control, which may have a material and adverse effect on our business, financial condition and results of operations.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs / insurance premiums as a result of these health risks.

In addition, a significant outbreak of coronavirus could result in a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the demand for precious metals and our future prospects.

Occupational Health and Wellness

Although the Company takes every precaution to strictly follow industrial hygiene and occupational health guidelines, and medical services are in place along with pandemic management protocols, due to the areas where the Company operates, the workforce is exposed to pandemics like malaria and other diseases, such as coronavirus, dengue, chikungunya, zika, ebola and other flu like viruses (such as avian and swine). Such pandemics and diseases represent a serious threat to maintaining a skilled workforce in the mining industry and is a major health-care challenge for the Company.

There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs and/or insurance premiums as a result of these health risks. Other potential risk include disruption to operations, supply chain delays, trade restrictions and impact on economic activity in affected countries or regions.

No Certainty that Operating Profits will Continue to be Realized at Beta Hunt Mine or HGO

The Company has realized operating profits in 2019 from its operations at the Beta Hunt Mine and HGO. Although the Company expects to continue to record operating profits from these mines but there can be no assurance that the Company will continue achieve operating profitability or that the Beta Hunt Mine, HGO; or any of the properties the Company may have or hereafter acquire or obtain an interest in will generate earnings, operate profitably or provide a return on investment in the future. There can be no assurance that significant additional losses will not occur in the near future or that the Company will be profitable in the future.

Whether profitable operations will result from the Beta Hunt Mine and HGO will depend on various factors including mining operations, costs, actual mineralization, consistency and reliability of ore grades, commodity prices and efficient design of the mine, availability of required machinery, equipment, qualified personnel, all of which may affect future cash flow and profitability, and there can be no assurance that current or future estimates of these factors will reflect actual results and performance.

It is common in new mining operations to experience unexpected problems, delays and costs during mine development and ramp-up. The costs, timing and complexity of the ramp-up of the Beta Hunt Mine and HGO has been and may continue to be higher than anticipated, including as a result of various adjustments required to optimize the efficiency of the operations. Such factors can add to the cost of mine development, production and operation and/or impair production and mining activities, thereby affecting the Company's profitability. Any unexpected problems and delays in the completion and successful functioning of these operational elements result in additional costs being incurred by the Company and its subsidiaries beyond those already incurred and budgeted. There can be no assurance that current or future ramp-up plans of the Beta Hunt Mine and HGO implemented by the Company or its subsidiaries will be successful.

Liquidity

As at December 31, 2019 the Company had cash and cash equivalents of $34.7 million. Management estimates that these funds in addition to operating cash flows from Beta Hunt Mine and HGO will be sufficient to fund the

Company for the ensuing twelve months. The Company's ability to fund its exploration, evaluation, development and acquisition activities is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available on terms which are acceptable to the Company.

Funding Needs, Financing Risks and Dilution.

Historically, the Company's principal sources of funding have been the issuance of equity securities for cash, the sale of NSR royalties and funds from the government of Quebec with respect to mining tax credits received based on eligible exploration expenditures, interest income. While the Company may generate additional working capital through operations, fund raising or the sale or joint venture of its mineral properties, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to existing shareholders of the Company and reduce the value of their investment.

In addition, development of the Dumont Nickel-Cobalt Project will require substantial financing. Initial capital costs for the development of the Dumont Nickel-Cobalt Project, for the base case, could be in excess of US1.191 billion, with additional expansion capital of US$891 million. Failure to obtain sufficient financing will result in delaying or indefinite postponement of development of the Dumont Nickel-Cobalt Project, or possibly a loss of property interests. There is no assurance that such funding will be available to the Company, that it will be obtained on terms favourable to the Company or that it will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. Failure to obtain any financing necessary for the Company's capital expenditure plans may result in a delay or indefinite postponement of exploration, development or production on any or all of the Company's properties, which may have a material adverse effect on the Company's business, financial condition and results of operations.

If the credit and capital markets deteriorate, or if any sudden or rapid destabilization of global economic conditions occurs, it could have a material adverse effect on the Company's liquidity, ability to raise capital and costs of capital. If the Company experiences difficulty accessing the credit and/or capital markets, the Company may seek alternative financing options, including, but not limited to, streaming transactions, royalty transactions, off-take transactions or the sale of non-core assets. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

Operating Cash Flow

The Company generated positive cash flow from operations in 2019 but has a history of reporting negative cash flow from operations. It is anticipated that the Company will continue to report positive operating cash flow from Beta Hunt Mine and HGO. If additional funds are needed, there is no assurance that additional capital or other types of financing will be available or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all.

The ability of the Company to meet its debt service and principal repayment requirements will depend on its ability to generate cash in the future, which depends on many factors, including the financial performance of the Company, debt service obligations, the realization of financing activities, the identification of commercially recoverable quantities of ore or the profitable mining or processing of ore reserves and working capital and future capital expenditure requirements. There can be no assurance that the Company will generate cash flow in amounts sufficient to pay outstanding indebtedness or to fund any other liquidity needs.

Financial Instruments

The Company is exposed to various financial risks resulting from both its operations and its investment activities. The Company's management manages financial risks. The Company does not enter into financial instruments agreements, including derivative financial instruments, for speculative purposes.

Overview of Exploration, Development and Operating Risk

The Company is engaged in mineral exploration, development and mining operations. Mining operations may be subject to risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected geological formations, unanticipated metallurgical difficulties, ground control problems, seismic activity, weather events and flooding. Mining and exploration operations require reliable infrastructure, such as roads, rail, ports, power sources and transmission facilities and water supplies. Availability and cost of infrastructure affects the production and sales from operations, as well as capital and operating costs. Mineral exploration and development is highly speculative in nature, involves many risks and is frequently not economically successful. Increasing mineral resources or reserves depends on a number of factors including, among others, the quality of a company's management and their geological and technical expertise and the quality of land available for exploration. Once mineralization is discovered it may take several years of additional exploration and development until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable reserves through drilling or drifting to determine the optimal metallurgical process and to finance and construct mining and processing facilities. At each stage of exploration, development, construction and mine operation, various permits and authorizations are required. Applications for many permits require significant amounts of management time and the expenditure of substantial capital for engineering, legal, environmental, social and other activities. At each stage of a project's life, delays may be encountered because of permitting difficulties. Such delays add to the overall cost of a project and may reduce its economic feasibility. As a result of these uncertainties, there can be no assurance that these mineral exploration and development programs will result in profitable commercial production. There is no assurance that any of the projects can be mined profitably. Accordingly, it is not assured that the Company will realize any profits in the short to medium term, if at all. Any profitability in the future from the business of the Company will be dependent upon acquiring, developing and commercially mining an economic deposit of minerals.

Companies engaged in mining activities are subject to all of the hazards and risks inherent in exploring for and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, social unrest, encountering unusual or unexpected geological formations or other geological or grade problems, unanticipated metallurgical characteristics or less than expected mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses. Should any of these risks or hazards affect the Company's exploration, development or mining activities it may: cause the cost of exploration, development or production to increase to a point where it would no longer be economic to produce metal from the Company's mineral resources or reserves; result in a write down or write-off of the carrying value of one or more mineral projects; cause delays or stoppage of mining or processing; result in the destruction of mineral properties, processing facilities or third party facilities necessary to the Company's operations; cause personal injury or death and related legal liability; or result in the loss of insurance coverage — any or all of which could have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

The Company's business is subject to production and operational risks that could have a material adverse effect on the on the financial condition, results of operations or cash flows of the Company and the Company's insurance may not cover these risks and hazards adequately or at all.

Mining and metals processing involve significant production and operational risks normally encountered in the exploration, development and production of gold and other base or precious metals, some of which are outside of our control, including, without limitation, the following:

- unanticipated ground and water conditions;
- adverse claims to water rights and shortages of water to which we have rights;
- adjacent or adverse land or mineral ownership that results in constraints on current or future mine operations;

- geological problems, including seismic activity, earthquakes and other natural disasters;
- metallurgical and other processing problems;
- unusual or unexpected mineralogy or rock formations;
- ground or slope failures;
- tailings design or operational issues, including dam breaches or failures;
- structural cave-ins, wall failures or rock-slides;
- flooding or fires;
- equipment failures;
- periodic interruptions due to inclement or hazardous weather conditions or operating conditions and other force majeure events;
- lower than expected ore grades or recovery rates;
- accidents;
- delays in the receipt of or failure to receive necessary government permits;
- the results of litigation, including appeals of agency decisions;
- delays in transportation;
- interruption of energy supply;
- labor disputes;
- inability to obtain satisfactory insurance coverage;
- the availability of drilling and related equipment in the area where mining operations will be conducted; and
- the failure of equipment or processes to operate in accordance with specifications or expectations.

These risks could result in damage to, or destruction of, our mines and milling facilities, resulting in partial or complete shutdowns, personal injury or death, environmental or other damage to our properties or the properties of others, delays in mining, reduced production, monetary losses and potential legal liability. Milling operations are subject to hazards, such as equipment failure or failure of retaining dams around tailings disposal areas that may result in personal injury or death, environmental pollution and consequential liabilities. In addition, we rely on a few key vendors for our operations. A breach of the applicable contract by any of these vendors, a significant dispute with any of these vendors, a force majeure event or other operational or financial issues affecting one or more of these vendors, including labor strikes or work stoppages, or any other event that would significantly impede the ability of these vendors to perform their contractual obligations to us or that would have a significant negative impact on our contractual relationship with them would adversely affect our ability to produce our primary products, which could have a material impact on our financial condition and results of operations. Our insurance will not cover all the potential risks associated with our operations. In addition, although certain risks are insurable, we may be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or, if available, may not be adequate to cover any resulting liability. Moreover, insurance

against risks such as environmental pollution or other hazards as a result of exploration, development and production may be prohibitively expensive to obtain for a company of our size and financial means. We might also become subject to liability for pollution or other hazards against which we may not be insured or against which we may elect not to insure because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our business, financial condition and results of operations. Furthermore, should we be unable to fund fully the cost of remedying an environmental problem, we might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

The Company is subject to physical and financial risks associated with global, regional, and local weather conditions, and climate change.

Our operations and the operations of our suppliers are subject to climate variations. Over the past several years, changing weather patterns and climatic conditions due to natural and man-made causes have added to the unpredictability and frequency of natural disasters such as hurricanes, earthquakes, hailstorms, wildfires, snow, ice storms, the spread of disease, and insect infestations. Any of these natural disasters could also affect our operations or cause variations our costs. Changes in precipitation could make wildfires more frequent or more severe, especially for our Australian operations, and could adversely affect our operations. The effects of global, regional, and local weather conditions, and climate change could also adversely impact our results of operations.

Australia was impacted by the bushfires that occurred in late 2019 and continued into the first quarter of 2020. Although we still do not know the ultimate impact the bushfires will have on our Australia operations, it is possible the affected areas may experience reduced economic activity, which could negatively impact our Australian operations.

Community relations and license to operate

The Company's relationships with the communities in which it operates are critical to the future success of its existing operations and the construction and development of its projects. There is an ongoing and potentially increasing public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("**NGOs**"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While RNC is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

RNC's ability to successfully obtain key permits and approvals to explore for, develop and operate mines and to successfully operate in communities around the world will likely depend on RNC's ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities, which may or may not be required by law. Mining operations should be designed to minimize the negative impact on such communities and the environment, for example, by modifying mining plans and operations or by relocating those affected to an agreed location. The cost of these measures could increase capital and operating costs and therefore could have an adverse impact upon RNC's financial condition and operations. RNC seeks to promote improvements in health and safety, human rights, environmental performance and community relations. However, RNC's ability to operate could be adversely impacted by accidents or events detrimental (or perceived to be detrimental) to the health, safety and well-being of RNC's employees, human rights, the environment or the communities in which RNC operates.

Major network failures could have a material adverse effect on the on the financial condition, results of operations or cash flows of the Company.

Major equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within our network could disrupt our business functions, including our production activities. Our industry has become increasingly dependent on digital technologies. Our mines and mills are automated and networked, and we rely on digital technologies to conduct

certain exploration, development, production, processing and other activities. Our industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact our operations. A corruption of our financial or operational data or an operational disruption of our production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to our reputation or our relationship with customers, vendors and employees; or (v) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse effect on our business, results of operations and financial condition.

Dumont Project Delay

There are significant risks that the development and completion of construction of a mine at the Dumont Nickel-Cobalt Project could be delayed due to circumstances beyond the Company's control. The Company will need to obtain further financing from external sources in order to achieve the milestones and to fund the development of the Dumont Nickel-Cobalt Project. There is no assurance that the Company will be able to obtain financing on favourable terms, or at all. Failure to obtain sufficient financing will result in delaying or indefinite postponement of development of the Dumont Nickel-Cobalt Project or possibly a loss of property interests.

Limited Operating History

The Company has no history of profitability, and a limited operating history in the mineral exploration and development business. Prior to the acquisition of the Beta Hunt Mine and HGO, the Company had no history of producing metals from its mineral properties. As a result, the Company is subject to all of the risks associated with establishing new mining operations, business enterprises and operating assets including:

- the timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour and mining equipment;
- the availability and cost of appropriate smelting and/or refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits; and
- the availability of funds to finance construction and development activities.

It is common in new mining operations to experience unexpected problems and delays during construction, development and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, there are no assurances that the Company's activities will result in profitable mining operations at the Beta Hunt Mine and HGO or that the Company will successfully establish mining operations or profitably produce metals at the Dumont Nickel-Cobalt Project, at any of its other properties, or at all.

Drilling and Production Risks Could Adversely Affect the Mining Process

Once mineral deposits are discovered, it can take a number of years from the initial phases of drilling until production is possible, during which the economic feasibility of production may change. Substantial time and expenditures are required to:

- obtain environmental and other licenses;
- construct mining, processing facilities and infrastructure; and

- obtain the nickel or extract minerals from the ore.

If a project proves not to be economically feasible by the time the Company is able to exploit it, the Company may incur substantial write-offs. In addition, potential changes or complications involving metallurgical and other technological processes arising during the life of a project may result in cost overruns that may render the project not economically feasible.

Commodity Price Volatility

The ability of the Company to develop the Dumont Nickel-Cobalt Project and fully exploit the Beta-Hunt Mine, along with the future profitability of the Company, is directly related to the market price of nickel, gold and copper, each of which is sold in an active global market and traded on commodity exchanges. These prices (i) are subject to significant fluctuations and are affected by many factors, including actual and expected macroeconomic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels, investments by commodity funds and other actions of participants in the commodity markets, and (ii) have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of RNC's projects cannot be accurately predicted and may be adversely affected by fluctuations in these commodity prices. Future price declines could cause the future development and exploitation of the Company's properties to be impracticable or uneconomical.

Increased Availability of Alternative Nickel Sources or Substitution of Nickel from End Use Applications Could Adversely Affect the Company's Nickel Project

Demand for primary nickel may be negatively affected by the direct substitution of primary nickel with other materials in current applications. In response to high nickel prices or other factors, producers and consumers of stainless steel may partially shift from stainless steel with high nickel content to stainless steels with either lower nickel content or no nickel content, which would adversely affect demand for nickel.

Limited Mining Properties and Acquisition of Additional Commercially Mineable Mineral Rights

Any adverse development affecting the progress of the Beta Hunt Mine, HGO and the Dumont Nickel-Cobalt Project such as, but not limited to, obtaining sufficient financing on commercially suitable terms, hiring suitable personnel and mining contractors or securing supply agreements on commercially suitable terms, may have a material adverse effect on the Company's financial performance and results of operations.

Uncertainty in the Estimation of Mineral Reserves and Mineral Resources

The figures for mineral reserves and mineral resources contained in this AIF are estimates only and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral reserves could be mined or processed profitably. Actual reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may be below the estimated levels. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. In addition, there can be no assurance that nickel recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of its reserve estimates from time to time or may render the Company's reserves uneconomic to exploit. Reserve data are not indicative of future results of operations. If the Company's actual mineral reserves and mineral resources are less than current estimates or if the Company fails to develop its resource base through the realization of identified mineralized potential, its results of operations or financial condition may be materially and adversely affected. Evaluation of reserves and resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of inferred resource is the least reliable resource category and is subject to the most variability.

Decision to Mine not based on Feasibility Study

The decision by SLM to produce at the Beta Hunt Mine and HGO 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.

Uncertainty Relating to Mineral Resources

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Mining Involves a High Degree of Risk

Mining operations involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration, development and production of base or precious metals, including, without limitation, environmental hazards, unusual and unexpected geologic formations, seismic activity, rock bursts, pit-wall failures, cave-ins, flooding, fires, hazardous weather conditions and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and legal liability. The Company's development activities may be further hampered by additional hazards, including, without limitation, equipment failure, which may result in environmental pollution and legal liability.

Uninsurable Risks

In the course of development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate the funds available for acquisition of mineral prospects or exploration, increase costs to the Company, reduce future profitability, if any, and/or lead to a decline in the value of the Common Shares.

Environmental and Safety Regulations and Risks

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality, including air and water quality, mine reclamation, solid and hazardous waste handling and disposal and the promotion of occupational health and safety. These laws provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on RNC for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or noncompliance with environmental laws or regulations. The Technical, Health, Safety & Environment Committee of the Company's Board of Directors is charged with the oversight of these risks. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Mineral Titles

There is no guarantee that title to the Company's mineral property interests will not be challenged or impugned and no assurances can be given that there are no title defects affecting its mineral properties. RNC's mineral property interests may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. The Company has not conducted surveys of the claims in which it holds direct or indirect interests; therefore, the precise area and location of such items may be in doubt. There may be valid challenges to the title of the mineral property interests which, if successful, could impair the exploration, development and/or operations of the Dumont Nickel-Cobalt Project.

Foreign Operations

The Beta Hunt Mine and HGO are located in Australia. Any changes in regulations or shifts in political attitudes in Australia, or other jurisdictions in which the Company has projects from time to time, are beyond the control of the Company and may adversely affect its business. Future development and operations may be affected in varying degrees by production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people, mine safety and receipt of necessary permits. The effect of these factors cannot be accurately predicted.

Integration Risk

The Company has made acquisitions of properties in recent years and may consider additional acquisitions in the future. Such transactions may pose challenges to the Company such as the risks that the integration of acquired businesses may take longer than expected, the anticipated benefits of the integration may be less than estimated or the costs of acquisition may be higher than anticipated could have an adverse impact on the Company's business, financial condition, results of operations and cash flows. The Company may discover it has acquired a substantial undisclosed liability with little recourse against the sellers.

Permitting Risks

The operations of the Company require licenses and permits from various governmental authorities. The Company will use its best efforts to obtain all necessary licenses and permits to carry on the activities which it intends to conduct, and it intends to comply in all material respects with the terms of such licenses and permits. However, there can be no guarantee that the Company will be able to obtain and maintain, at all times, all necessary licenses and permits required to undertake its proposed exploration and development, or to place its properties into commercial production and to operate mining facilities thereon. In the event of commercial production, the cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations or preclude the economic development of the Company's properties.

With respect to environmental permitting, the development, construction, exploitation and operation of mines at the Company's projects may require the granting of environmental licenses and other environmental permits or concessions by the competent environmental authorities. Required environmental permits, licenses or concessions may take time and/or be difficult to obtain, and may not be issued on the terms required by the Company. Operating without the required environmental permits may result in the imposition of fines or penalties as well as criminal charges against the Company for violations of applicable laws or regulations.

Land Reclamation

Although they vary, depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies, as well as companies with mining operations, in order to minimize long term effects of land disturbance. Reclamation may include requirements to control dispersion of potentially deleterious effluents and to reasonably re-establish pre-disturbance land forms and vegetation. In order to carry out reclamation obligations imposed on the Company, the Company must allocate financial resources that might otherwise be spent on other programs.

Production Estimates

The Company has prepared estimates of future metal production for its existing and future mines. The Company cannot give any assurance that such estimates will be achieved. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, profitability, results of operations and financial conditions.

The realization of production estimates are dependent on, among other things, the accuracy of mineral reserve and resource estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions (including hydrology), the physical characteristics of ores, the presence or absence of particular metallurgical characteristics, and the accuracy of the estimated rates and costs of mining, ore haulage and processing. Actual production may vary from estimates for a variety of reasons, including the actual ore mined varying from estimates of grade or tonnage; dilution and metallurgical and other characteristics (whether based on representative samples of ore or not); short-term operating factors such as the need for sequential development of ore bodies and the processing of new or adjacent ore grades from those planned; mine failures or slope failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for mining operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; plant and equipment failure; the inability to process certain types of ores; labour shortages or strikes; and restrictions or regulations imposed by government agencies or other changes in the regulatory environment. Such occurrences could also result in damage to mineral properties or mines, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities in addition to adversely affecting mineral production. These factors may cause a mineral deposit that has been mined profitably in the past to become unprofitable, forcing the Company to cease production.

Cost Estimates

Capital and operating cost estimates made in respect of the Company's mines and development projects may not prove accurate. Capital and operating cost estimates are based on the interpretation of geological data, feasibility or prefeasibility studies, preliminary economic assessment study, anticipated climatic conditions, market conditions for required products and services, and other factors and assumptions regarding foreign exchange currency rates. Any of the following events could affect the ultimate accuracy of such estimate: unanticipated changes in grade and tonnage of ore to be mined and processed; incorrect data on which engineering assumptions are made; delay in construction schedules, unanticipated transportation costs; the accuracy of major equipment and construction cost estimates; labour negotiations; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas on exportation of minerals); and title claims.

Forward-Looking Statements May Prove to be Inaccurate

Investors should not place undue reliance on forward-looking statements contained in this AIF. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on such risks, assumptions and uncertainties can be found in this AIF under the heading "*Forward-Looking Statements*".

Aboriginal/First Nation

In Australia, native title claims and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on Australian properties. The resolution of native title and Aboriginal heritage issues is an integral part of exploration and mining operations in Australia and the Company is committed to managing any issues that may arise effectively. However, in view of the inherent legal and factual uncertainties relating to such issues, no assurance can be given that material adverse consequences will not arise. Reference is made to Appendix A hereto under the heading "*the Beta Hunt Mine - Native Title*".

RNC is committed to working in partnership with our local communities and aboriginal/First Nation communities in a manner which fosters active participation and mutual respect. The Company regularly consults with communities proximal to the Company's exploration and development activities to advise them of plans and answer any questions they may have about current and future activities. On May 2, 2017, RNC and the AFN announced the signing of an Impact and Benefit Agreement ("**IBA**") for the Dumont project. The IBA serves as a framework to govern the relationship with the AFN and lays out the commitments of the parties regarding the impacts and benefits of the Dumont Project. The parties to the IBA are the AFN and the RNC-Waterton nickel joint venture. The IBA provides for meaningful AFN participation in the Dumont Project through training, employment, business opportunities, collaboration in environmental protection and other means.. However, First Nations in Quebec are increasingly making lands and rights claims in respect of existing and prospective resource projects on lands asserted to be First Nation traditional or treaty lands. Should a First Nation make such a claim in respect of the Dumont Nickel-Cobalt Project and should such claim be resolved by government or the courts in favour of the First Nation, it could materially adversely affect the business of RNC.

Reliance on Third Parties

The Company is heavily dependent on its ability to secure reliable supplies of raw materials and provision of certain services from third-party suppliers in order to carry out its operations. In particular, SLM is reliant on third parties for the processing of its intermediate products. Further, SLM holds its mining title under a sublease with a third party – see Appendix A for further information. There can be no guarantee that these arrangements will be sufficient for the Company's future needs or that such rights, supplies or provision of services will not be interrupted or cease altogether. A failure of such third parties could have a material adverse effect on the Company's business, operating results and financial position.

Joint Ventures

From time to time the Company enters into joint venture arrangements with respect to its properties. The Company has a joint venture arrangement over the Dumont Nickel-Cobalt Project. The existence or occurrence of one or more of the following circumstances and events could have a material adverse effect on Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse effect on the Company's financial performance and results of operations: (i) lack of control over the joint operations and disagreement with partners on how to explore, develop or operate mines efficiently; (ii) inability to exert influence over certain strategic decisions made in respect of jointly held properties; (iii) inability of partners to meet their obligations to the joint venture or third parties; (iv) litigation between joint venture partners regarding joint venture matters; and (v) liability that might accrue to partners as a result of the failure of the joint venture or general partnership to satisfy their obligations. Although the Company expects relations with its joint venture partners to remain positive, contractual or other disputes may arise that may have a material adverse effect on the Company.

The Company is subject to the risk of litigation, the causes and costs of which cannot be known

The Company may be involved in disputes with other parties in the normal course of business in the future which may result in litigation. The causes of potential future litigation cannot be known and may arise from, among other things, business activities, environmental laws, volatility in stock price or failure or alleged failure to comply with disclosure obligations. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve litigation favourably, either by judicial determination or settlement, it may have a material adverse effect on the Company's financial performance and results of operations. In the event of a dispute involving the foreign operations of the Company, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's ability to enforce its rights could have an adverse effect on its future cash flows, earnings, results of operations and financial condition.

Competition

The mining industry is intensely competitive in all its phases. There is a high degree of competition for the discovery and acquisition of properties considered to have commercial potential. RNC competes for the acquisition of mineral properties, claims, leases and other mineral interests as well as for the recruitment and retention of

qualified employees with many companies possessing greater financial resources and technical facilities than RNC. The competition in the mineral exploration and development business could have an adverse effect on RNC's ability to acquire suitable properties or prospects for mineral exploration and development in the future.

Management

The Company's prospects depend in part on the ability of its executive officers and senior management to operate effectively, both independently and as a group. Investors must be willing to rely to a significant extent on management's discretion and judgment. The success of RNC depends to a large extent upon its ability to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on RNC's business and prospects. There is no assurance RNC can maintain the services of its directors, officers or other qualified personnel required to operate its business.

Government Regulations

Exploration and development activities and mining operations are subject to laws and regulations governing health and worker safety, employment standards, environmental matters, mine development, prospecting, mineral production, exports, taxes, labour standards, reclamation obligations and other matters. It is possible that future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of permits and agreements applicable to the Company or its properties which could have a material adverse impact on the Company's current objectives. Where required, obtaining necessary permits and licences can be a complex, time consuming process and there can be no assurance that required permits will be obtainable on acceptable terms, in a timely manner, or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with the development of a mine.

Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing interruption or closure of exploration, development or mining operations or material fines and penalties, including, but not limited to, corrective measures requiring capital expenditures, installation of additional equipment, remedial actions or other liabilities. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

In addition, amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties. Recent increases to mining duties/ royalties by the Quebec Minister of Natural Resources are reflected in the Feasibility Study.

The Company is subject to anti-corruption and anti-bribery laws

The Company's operations are governed by, and involve interactions with, various levels of government in Canada, the U.S. and Australia. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company conducts its business. There has been a general increase in the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. The Company may be found liable for violations by not only its employees, but also by its third party agents. Although the Company has adopted a risk-based approach to mitigate such risks, such measures are not always effective in ensuring that the Company, its employees or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company which could result in a material adverse effect on the Company's reputation, financial performance and results of operations. If the Company chooses to operate in additional foreign jurisdictions in the future it may become subject to additional anti-corruption and anti-bribery laws in such jurisdictions.

Flow-Through Share Tax Issues

From time to time, the Company agrees to incur, in respect of Common Shares issued by it from treasury and designated as "flow-through shares" ("**Flow-Through Shares**") under the *Income Tax Act* (Canada) (the "**Tax Act**"), Canadian exploration expenses ("**CEE**") in an amount usually equal to the gross proceeds raised by the Company from such issuance and to renounce CEE in accordance with the Tax Act. For certain purchasers of Flow-Through Shares said CEE are also partially included under the *Taxation Act* (Québec) (the "**Québec Tax Act**") in the exploration base relating to "certain Québec exploration expenses" and the exploration base relating to "certain Québec surface mining or oil and gas exploration expenses" (the "**Eligible Québec Expenses**") and the Company agrees to renounce the Eligible Québec Expenses to such purchasers of Flow-Through Shares in accordance with the Québec Tax Act. No assurance can be given that the Minister of National Revenue (Canada) and the ministre du Revenu (Québec) will agree with the Company's characterization of the expenditures incurred. A change in the characterization of the expenditures may affect the Company's ability to renounce CEE and, where applicable, Eligible Québec Expenses to the holders of Flow-Through Shares or the holders' ability to claim tax deductions.

The Company is dependent on information technology systems

The Company's operations depend, in part, upon information technology systems. The Company's information technology systems are subject to disruption, damage or failure from a number of sources, including, but not limited to, computer viruses, security breaches, natural disasters, power loss and defects in design. Although to date the Company has not experienced any material losses relating to information technology system disruptions, damage or failure, there can be no assurance that it will not incur such losses in the future. Any of these and other events could result in information technology systems failures, operational delays, production downtimes, destruction or corruption of data, security breaches or other manipulation or improper use of the Company's systems and networks, any of which could have adverse effects on the Company's reputation, results of operations and financial performance.

Other Tax Issues

The Company is subject to income and mining taxes in some jurisdictions. Significant judgement is required in determining the total provision for income taxes. Refundable tax credits for mining exploration expenses for the current and prior periods are measured at the amount expected to be recovered from the tax authorities as at the balance sheet date. Uncertainties exist with respect to the interpretation of tax regulations, including mining duties for losses and refundable tax credits, and the amount and timing of collection. The determination of whether expenditures qualify for exploration tax credits requires significant judgment involving complex technical matters which makes the ultimate tax collection uncertain. As a result, there can be a material difference between the actual tax credits received following final resolution of these uncertain interpretation matters with the relevant tax authority and the recorded amount of tax credits. This difference would necessitate an adjustment to tax credits for mining exploration expenses in future periods. The resolution of issues with the relevant tax authority can be lengthy to resolve. As a result, there can be a significant delay in collecting tax credits for mining exploration expenses. Tax credits for mining exploration expenses that are expected to be recovered beyond one year are classified as non-current assets. The amounts recognized in the financial statements are derived from the Company's best estimation and judgment as described above. However, the inherent uncertainty regarding the ultimate approval by the relevant tax authority means that the ultimate amount collected in tax credits and timing thereof could differ materially from the accounting estimates and therefore impact the Company's balance sheet and cash flow.

Conflicts of Interest

Certain of the directors and officers of RNC may also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict.

Currency Fluctuations

The operations of the Company will be subject to currency fluctuations and such fluctuations may materially affect the financial position and results of the Company. The Company is subject to the risks associated with the fluctuation of the rate of exchange of the Canadian dollar, the Australian dollar and the United States dollar. The Company does not currently take any steps to hedge against currency fluctuations although it may elect to hedge against the risk of currency fluctuations in the future. There can be no assurance that steps taken by the Company to address such currency fluctuations will eliminate all adverse effects of currency fluctuations and, accordingly, the Company may suffer losses due to adverse foreign currency fluctuations.

Interest Rate Risk

The Company has cash balances and the Company's current policy is to invest excess cash in certificates of deposit or high interest savings accounts of major Canadian chartered banks. As of December 31, 2019, the Company had $0.1 million invested with various banks bearing interest at variable rates. Based on the balance as at December 31, 2019, a plus or minus 0.50 % change in the rates would affect net income by approximately $500 on an annual basis. The Company also has facilities at variable rates based on a spread over LIBOR. As of December 31, 2019, the Company had $344,000 of working capital facilities at variable rates. Sensitivity to a plus or minus 1% change in the rates would affect the reported annual interest expense by approximately $3,000.

Dividend History or Policy

No dividends on the Common Shares have been paid by RNC to date. RNC anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of RNC's Board after taking into account many factors, including RNC's operating results, financial condition and current and anticipated cash needs.

Independent Contractors

RNC's success also depends, to a significant extent, on the performance and continued service of independent contractors. RNC will contract the services of professional drillers and others for exploration, environmental, construction and engineering services. Poor performance by such contractors or the loss of such services could have a material and adverse effect on RNC and its business and results of operations and could result in failure to meet business objectives.

Global Economic Conditions

Global economic conditions in recent years have been characterized by volatility and market turmoil and access to financing has been negatively impacted. This may impact the Company's ability to obtain financing on terms acceptable to the Company. In addition, global economic conditions may cause decreases in asset values, which may result in impairment losses. If such volatility and market turmoil continue, the Company's business and financial condition could be adversely affected.

Climate Change/Greenhouse Gas ("GHG") Emissions

The federal government has repeatedly announced its intention to implement a regulatory framework that would require significant reductions of GHG emissions by Canada's largest industrial sectors. This includes the industrial sectors to which the Company may provide its products, the majority of the facilities in Canada from which the Company ultimately obtains power, and some of the Company's facilities.

In addition, various Canadian provincial governments and other regional initiatives are moving ahead with GHG reduction and other initiatives designed to address climate change. Given the present uncertainty around the practical application of specific provisions in any federal regulations and the impact of other provincial or regional initiatives, it is not yet possible to estimate with specificity the impact to the Company's operations. However, the Dumont Nickel-Cobalt Project, when developed, will be a large facility, so the establishment of emissions

regulations (whether in the manner described above or otherwise) may well affect and have a material adverse effect on the Company's business, results of operations and financial performance. In addition, the Company's operations require large quantities of power and future taxes on or regulation of power producers or the production of oil and gas or other products may also add to the Company's operating costs.

Risks Relating to Common Shares and Warrants

Liquidity of Common Shares and Warrants

The Company's ability to successfully ramp-up production at the Beta Hunt Mine and HGO and to put the Dumont Nickel-Cobalt Project into commercial production will be dependent upon a number of factors including the ability to obtain financing. If the Company is unable to achieve these corporate objectives, any investment in the Company's securities may be lost. In such event, the probability of resale of the Common Shares and any securities convertible into Common Shares would be diminished.

The Common Shares are Subject to Market Price Volatility

The market price of the Common Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, the results of any public announcements made by the Company and the Company's failure to meet analysts' expectations. In addition, from time to time, the stock market experiences significant price and volume volatility that may affect the market price of the Common Shares for reasons unrelated to the Company's performance. Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological changes, global capital market activity and changes in interest and currency rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance. The value of the Common Shares will be affected by the general creditworthiness of the Company. The market value of the Common Shares may also be affected by the Company's financial results and political, economic, financial and other factors that can affect the capital markets generally, the stock exchanges on which the Common Shares are traded and the market segment of which the Company is a part.

Potential Dilution

The Company's articles of incorporation and by-laws allow it to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as established by the board of directors of the Company, in many cases, without the approval of the Company's shareholders. The Company may issue additional Common Shares in subsequent offerings (including through the sale of securities convertible into or exchangeable for Common Shares) and on the exercise of stock options or other securities exercisable for Common Shares. The Company cannot predict the size of future issuances of Common Shares or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

As of December 31, 2019, RNC is not a party to any legal proceedings material to it, or of which any of its property is the subject matter, and no such proceedings are known to be contemplated. RNC was not subject to any regulatory actions during the preceding financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this AIF, no director or officer of RNC or any shareholder holding, of record or beneficially, directly or indirectly, more than 10% of the issued Common Shares or Warrants, or any of their respective associates or affiliates, had any material interest, directly or indirectly, in any material transaction with

RNC within the three most recently completed financial years or in any proposed transaction which has materially affected or would materially affect RNC.

REGISTRAR AND TRANSFER AGENT

RNC's registrar and transfer agent for its Common Shares is Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

EXPERTS

Information of an economic (including economic analysis), scientific or technical nature regarding the Beta Hunt Mine and HGO included in this AIF is based upon the technical report entitled "Technical Report Western Australia Operations – Eastern Goldfields: the Beta Hunt Mine (Kambalda) and Higginsville Gold Operations" prepared by Stephen Devlin, FAusIMM, and Shane McLeay, FAusIMM. Stephen Devlin is an employee of SLM, a wholly-owned subsidiary of RNC and a "Qualified Person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). Shane McLeay is "independent" of RNC and a "Qualified Person", as defined in 43-101, with an effective date of February 6, 2020.

Information of an economic (including economic analysis), scientific or technical nature regarding the Dumont Nickel-Cobalt Project included in this AIF is based upon the technical report titled "Technical Report on the Dumont Ni Project, Launay and Trecesson Townships, Quebec, Canada" prepared by Ausenco Solutions Canada Inc., Ausenco Services Pty Ltd., SRK Consulting (Canada) Inc., Snowden Mining Industry Consultants Inc., Golder Associates Ltd. and WSP Global Inc. and their respective employees, and an independent consultant. The authors of such technical report are L.P. Staples, P. Eng. (Ausenco Services Pty Ltd.), T. Zwirz, P. Eng (Ausenco Engineering Canada), J-M. Lepine, P. Eng (Ausenco Engineering Canada), D.P. Penswick, P. Eng (Independent Consultant), C.C. Scott, P. Eng. (SRK Consulting (Canada) Inc.), C. Protupilac, P. Eng (SRK Consulting (Canada) Inc.), B.A. Murphy, FSAIMM (SRK Consulting (Canada) Inc.), V.J. Bertrand, geo (Golder Associates) M. Mailloux, Eng. (Golder Associates Ltd.), V Tran, geo (Wood), JP. Lutti, Eng. (Wood) and S. Latulippe, Eng. (WSP Global Inc.), each of whom is "independent" of RNC and a "Qualified Person", as defined in NI 43-101, completed on July 11, 2019 with an effective date of May 30, 2019, as amended and restated on December 19, 2019.

As of the date of this AIF, to the knowledge of the Company, the aforementioned individuals, beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares.

The auditors of RNC are PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, 1250, Blvd. René-Lévesque Ouest Suite 2800 Montréal, Quebec H3B 2G4. PricewaterhouseCoopers LLP reports that they are independent from RNC within the meaning of the Code of Ethics of the *Ordre des comptables agréés du Quebec*.

MATERIAL CONTRACTS

The following contracts were entered into by the Company in 2019 that remain in effect:

- Credit Agreement dated June 10, 2019, as amended on December 31, 2019;
- Option Agreement between Westgold Resources Limited and the Company dated March 25, 2019;
- Share Sale Agreement between RNC Holdings Australia Pty Ltd., Westgold Resources Limited and the Company dated May 12, 2019.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including officers' remuneration and indebtedness, and principal holders of the Company's securities will be contained in the Company's information circular for its most recent annual meeting of shareholders involving the election of directors. Additional financial information is provided in the Company's financial statements and management's discussion and analysis for the 12-month period ended December 31, 2016.

EXCHANGE RATE INFORMATION

The closing, high, low and average exchange rates for one U.S. dollar expressed in Canadian dollars for each of the three years ended December 31, 2019, 2018, and 2017, as reported by the Bank of Canada, were as follows. All Bank of Canada exchange rates are indicative rates only, obtained from averages of aggregated price quotes from financial institutions.

	2019 ($)	2018 ($)	2017 ($)
Closing	1.2988	1.3642	1.2546
High	1.3600	1.3642	1.3743
Low	1.2988	1.2288	1.2128
Average	1.3600	1.2957	1.2932

As at March 26, 2020, the exchange rate for one US$ expressed in Canadian dollars, based upon rates provided by the Bank of Canada was $1.4066.

The closing, high, low and average exchange rates for one Australian dollar expressed in Canadian dollars for each of the three years ended December 31, 2019, 2018, and 2017, as reported by the Bank of Canada, were as follows. All Bank of Canada exchange rates are indicative rates only, obtained from averages of aggregated price quotes from financial institutions.

	2019 ($)	2018 ($)	2017 ($)
Closing	0.9122	0.9616	0.9801
High	0.9582	1.0207	1.0322
Low	0.9228	0.9132	0.9645
Average	0.9228	0.9687	0.9951

As at March 26, 2020, the exchange rate for one A$ expressed in Canadian dollars, based upon rates provided by the Bank of Canada was $0.8508.

METRIC CONVERSION TABLE

For ease of reference, the following conversion factors are provided:

Metric Unit	U.S. Measure	U.S. Measure	Metric Unit
1 hectare	2.471 acres	1 acre	0.4047 hectares
1 metre	3.2881 feet	1 foot	0.3048 metres
1 kilometre	0.621 miles	1 mile	1.609 kilometres
1 gram	0.032 troy ounces	1 troy ounce	31.1 grams
1 kilogram	2.205 pounds	1 pound	0.4541 kilograms
1 tonne	1.102 short tons	1 short ton	.907 tonnes
1 gram/tonne	0.029 troy ounces/ton	1 troy ounce/ton	34.28 grams/tonne

GLOSSARY OF TECHNICAL TERMS

In this AIF, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

"**assay**" is an analysis to determine the presence, absence and quantity of one or more elements.

"**awaruite**" is a naturally occurring alloy of nickel and iron with a composition from Ni_2Fe to Ni_3Fe. The formula $Ni_{2.5}Fe$ is used to represent this natural variability.

"**basalt**" is dark-colored mafic igneous rocks, commonly extrusive but locally intrusive (i.e. as dikes), composed chiefly of calcic plagioclase and clinopyroxene.

"**brucite**" is the mineral form of magnesium hydroxide with a composition of $Mg(OH)_2$.

"**C1 cash costs**" are direct costs, which include costs incurred in mining and processing (labour, power, reagents, materials) plus local G&A, freight and realisation and selling costs.

"**cash costs**" are the cash costs for mining, milling and concentrating, leaching, solution pumping, solvent extraction and electrowinning, on-site administration and general expenses, any off-site services which are essential to the operation, smelting (including toll smelting charges if applicable), refining (including toll refining charges if applicable), concentrate freight costs, marketing costs, and property and severance taxes paid to state/federal agencies that are not profit related.

"**chrysotile**" is an asbestiform sub-group within the serpentine group of minerals.

"**clinopyroxene**" is a group name for a number of pyroxene minerals that have similar crystal forms. They are silicates commonly containing aluminum, magnesium, calcium, and iron in their crystal structures.

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum.

"**CIM Standards**" are the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM from time to time.

"**cm**" means centimetre.

"**Co**" is the chemical symbol for cobalt.

"**coalingite**" is a mineral weathering product of brucite with a composition of $Mg_{10}Fe_{23}+[(OH)_{24}|CO_3]_2H_2O$

"**core**" is the long cylindrical piece of rock brought to surface by diamond drilling.

"**core sample**" is one or several pieces of whole or split parts of core selected as a sample for analysis or assay.

"**Cu**" is the chemical symbol for copper.

"**cut-off**" means the grade above which material is considered significant and below which material is not considered significant and is excluded from resource and reserve estimates.

"**dilution**" means non-ore material included by mining process and fed to mill.

"**disseminated sulphide**" is a sulphide deposit, in which the sulphide is non-contiguous and may range from less than 1% up to about 10% of the total rock. The sulphide occurs as individual crystals or small crystalline masses in the interstices of other non-sulphide minerals composing the rock.

"**dunite**" is an igneous, plutonic rock, of ultramafic composition, with coarse grained or phaneritic texture. The mineral assemblage is typically greater than 90% olivine with minor pyroxene and chromite. Dunite is the olivine-rich end-member of the peridotite group of mantle derived rocks.

"**fault**" means a break in the Earth's crust caused by tectonic forces which have moved the rock on one side with respect to the other.

"**feasibility study**" means a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

"**footwall**" means the rock on the underside of a vein or mineral deposit.

"**g/t**" is grams per metric tonne.

"**gabbro**" is a coarse grained intrusive igneous rock composed of greenish white feldspar and pyroxene.

"**geochemical**" means prospecting techniques which measure the content of specified metals in soils and rocks for the purpose of defining anomalies for further testing.

"**geophysical**" means prospecting techniques which measure the physical properties (magnetism, conductivity, density, etc.) of rocks and define anomalies for further testing.

"**ha**" is hectare.

"**hanging wall**" is the rock on the upper side of a vein or mineral deposit.

"**heazlewoodite**" is a nickel sulphide mineral found in serpentinized dunite with the composition Ni_3S_2.

"**host rock**" means the rock surrounding an ore deposit.

"**HPAL**" means high pressure acid leach.

"**igneous rock**" means a rock formed by volcanic or magmatic processes.

"**indicated mineral resource**" means that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"**inferred mineral resource**" means that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

"**IRR**" means internal rate of return.

"**km**" means kilometre.

"**kt**" mean kilo-tonne.

"**kWh**" means kilowatt-hour.

"**LIDAR**" means a light detection and tanging and optical remote sensing technology that measures properties of scattered light to find range and/or other information of a distant target. The prevalent method to determine distance to an object or surface is to use laser pulses. Like the similar radar technology, which uses radio waves, the range to an object is determined by measuring the time delay between transmission of a pulse and detection of the reflected signal.

"**lbs**" means pounds.

"**LOM**" means life of mine.

"**m**" means metre.

"**magmatic**" means of or related to magma, which is a subterranean molten rock, capable of being extruded at the surface as lava or intruded into rocks in the earth's crust.

"**magnetite**" is a ferrimagnetic mineral with composition Fe_3O_4.

"**massive sulphide**" means a sulphide deposit in which the sulphide is contiguous and usually forms more than 80% of the rock mass which may contain non-sulphidic rock inclusions.

"**measured mineral resource**" is that part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

"**millerite**" is a nickel sulphide mineral, NiS. It is brassy in colour and has an acicular habit, often forming radiating masses and furry aggregates.

"**mineral resource**" means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

"**mineral reserve**" means the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"**MgO**" is the chemical symbol for magnesium oxide.

"**Mt**" means million tonnes.

"**MW**" means megawatt.

"**NSR**" or "**net smelter returns**" means a payment made by a producer of metals based on the value of the gross metal production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.

"**Ni**" is the chemical symbol for nickel.

"**NPV**" means net present value.

"**NQ**" is a diamond core drill with diametre of 47.6 mm.

"**olivine**" is an olive green magnesium iron silicate mineral common in mafic and ultramafic rocks with a composition of $(Mg,Fe)_2SiO_4$.

"**Pd**" is the chemical symbol for palladium.

"**Pt**" is the chemical symbol for platinum.

"**pentlandite**" is a common iron-nickel sulphide mineral with the composition $(Fe,Ni)_9S_8$.

"**peridotite**" means a general term for intrusive ultramafic igneous rocks consisting of olivine and lacking felspar.

"**PGE**" is platinum group element.

"**ppb**" means parts per billion.

"**ppm**" means parts per million.

"**PQ**" is a diamond core drill with diameter of 85 mm.

"**preliminary feasibility study**" means a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established, and which, if an effective method of mineral processing has been determined, includes a financial analysis based on reasonable assumptions of technical, engineering, operating, economic factors and the evaluation of other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be classified as a mineral reserve.

"**probable mineral reserve**" means the economically mineable part of an indicated and, in some circumstances, a measured mineral resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"**proven mineral reserve**" means the economically mineable part of a measured mineral resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"**pyrite**" is a common iron sulphide mineral FeS_2.

"**pyroxene**" is a group of chiefly magnesium-iron minerals including diopside, hexenbergite, augite pigeonite, and many other rock-forming minerals.

"**pyroxenite**" is an ultramafic igneous rock consisting essentially of minerals of the pyroxene group, such as augite and diopside, hypersthene, bronzite or enstatite.

"**pyrrhotite**" is an iron sulphide FeS.

"**Qualified Person**" means an individual who: (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that (i) requires attainment of a position of responsibility in their profession that requires

the exercise of independent judgment; and (ii) requires (A) a favourable confidential peer evaluation of the individual's character, professional judgement, experience, and ethical fitness; or (B) a recommendation for membership by at least two peers, and demonstrated prominence or expertise in the field of mineral exploration or mining.

"**S**" is the chemical symbol for sulphur.

"**serpentine**" is a group of minerals the composition of which includes magnesium, iron, hydroxide and silicate.

"**serpentinized**" is a product of hydrated olivine.

"**SRMS**" means standard reference materials samples.

"**STP**" means standard test procedures.

"**sulphides**" means minerals that are compounds of sulphur together with another element (such as iron, copper, lead and zinc).

"**tailings**" means finely ground material remaining from ore when metal is removed.

"**tailings dam**" means an enclosed area to which slurry is transported and in which the solids settle while the liquids may be withdrawn.

"**tpd**" means tonnes per day.

"**ultramafic**" is igneous rocks consisting essentially of ferro magnesian minerals with trace quartz and feldspar.

"**veins**" means a fissure, faults or crack in rock filled by minerals that have travelled upwards from some deep source.

"**VTEM**" means Versatile Time Domain Electromagnetics — a type of geophysical survey used to explore for massive sulphide deposits.

APPENDIX "A"
MATERIAL MINERAL PROJECTS

A. BETA HUNT MINE

Overview

Unless otherwise indicated, information in this section is summarized or extracted the technical report titled: "Technical Report Western Australia Operations – Eastern Goldfields: the Beta Hunt Mine (Kambalda) and Higginsville Gold Operations" dated February 6, 2020 (the "**the Beta Hunt Mine Technical Report**"). The authors of the Beta Hunt Mine Technical Report are Stephen Devlin, FAusIMM, and Shane McLeay, FAusIMM. Stephen Devlin is an employee of SLM, a wholly-owned subsidiary of RNC and a "Qualified Person" as defined in NI 43-101. Shane McLeay is "independent" of RNC and a "Qualified Person", as defined in 43-101. The Beta Hunt Mine Technical Report was filed on February 6, 2020 under the Company's profile on SEDAR at www.sedar.com. All amounts in this section of Appendix A are presented in Australian Dollars unless otherwise noted.

Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full the Beta Hunt Mine Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Beta Hunt Mine Technical Report which is available for review under the Company's profile on SEDAR located at www.sedar.com.

Project Description, Location and Access

The Beta Hunt Mine is a gold and nickel mine located in the Kambalda mining district of Australia. RNC has as 100% interest in Salt Lake Mining Pty Ltd. ("**SLM**"), a private company whose main asset is a 100% interest in the Beta Hunt Mine. SLM was acquired by RNC during 2016.

The Beta Hunt Mine, located 600 km from Perth in Kambalda, Western Australia, is a deposit with the very rare feature of hosting both nickel and gold resources in adjacent discrete mineralized zones. The mining tenements on which the Beta Hunt Mine is located are held by Gold Fields Limited. SLM operates the Beta Hunt Mine by virtue of a sub-lease agreement with Gold Fields Limited.

The Beta Hunt Mine resumed nickel production in 2014 and gold production at the end of 2015. The Beta Hunt Mine is part of a multi-million ounce regional gold mineralization system and possesses significant gold by-product potential. Gold mineralization bodies are accessible from the main nickel decline, effectively leveraging existing infrastructure.

The Beta Hunt Mine is an underground mine located 2 km southeast of Kambalda and 60 km south of Kalgoorlie in Western Australia (Figure 1). The mine portal is located on the northern edge of Lake Lefroy at latitude 31°13'6"S and longitude 121°40'50"E. Kambalda has been a nickel mining centre since the discovery of nickel sulphides by Western Mining Corporation ("**WMC**") in 1966. The project consists of the underground mine and related surface facilities to support underground operations. There are no processing facilities on site. Run of mine gold production is processed at the Company's 1.3 Mtpa HGO located 80 km by road to the south of the Beta Hunt Mine. Nickel mineralization is processed by BHP Billiton Nickel West Pty Ltd. ("**BHP**") under the Ore Tolling and Concentrate Agreement with BHP ("**OTCPA**").

There is a long history of mining in the district with a large pool of experienced mining personnel living and working in the region. The majority of the current Beta Hunt workforce of approximately 61 persons resides locally within these two towns. The Kalgoorlie-Boulder Airport provides daily commercial flights to the state capital of Perth. Perth is a major centre with a population in excess of 2 million and an international airport. The closest port to both mines is at Esperance, which is 350 km south of Kambalda.

Kambalda experiences a semi-arid climate with hot dry summers and cool winters. Temperatures in the peak of summer typically range from a mean minimum temperature of 15°C to a mean maximum of 34°C. Temperatures

during winter range from a mean minimum temperature of 6°C to a mean maximum of only 17°C, with occasional frosts.

The Company holds a 100% interest in SLM. The mining rights for the Beta Hunt Mine are held by SLM through a sub-lease agreement with St Ives Gold Mining Company Pty Ltd. ("**SIGMC**") which gives SLM the right to explore for and mine nickel and gold within the Beta Hunt Mine sub-lease. Mineral tenure information is provided in Table 1. The Beta Hunt Mine sub-lease covers partial mineral leases for a total area of 960.43 ha as defined in Figure 2. Claim locations with respect to the sub-lease boundary are shown in Figure 2. SLM's rights within the sub-lease boundary only extend below a given elevation, as described in Table 2 below. SIGMC is the registered holder of the mineral leases that are all situated on vacant Crown Land.

The main components of the existing surface infrastructure are situated on mineral leases M 15/1529 and M 15/1531.

The existing underground infrastructure for the Beta Hunt Mine is located within mineral leases M 15/1529, M 15/1531, M 15/1512, M 15/1516, M 15/1517, M 15/1526, M 15/1518, M 15/1527, M 15/1705, M 15/1702, and M 15/1628.

The gold mineral resource is located on mineral leases M 15/1529, M 15/1531, M 15/1512, M 15/1516, and M 15/1517.

Figure 1: the Beta Hunt Mine Location Map

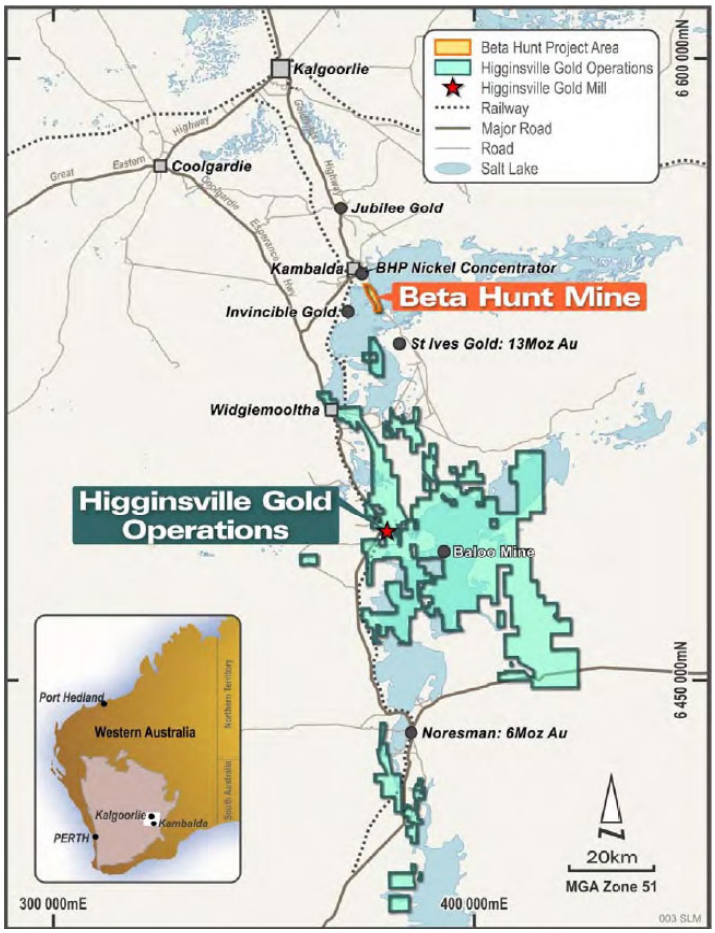


Figure 2: the Beta Hunt Mine Sub-Lease Boundary, Mineral Leases And Mineral Resources

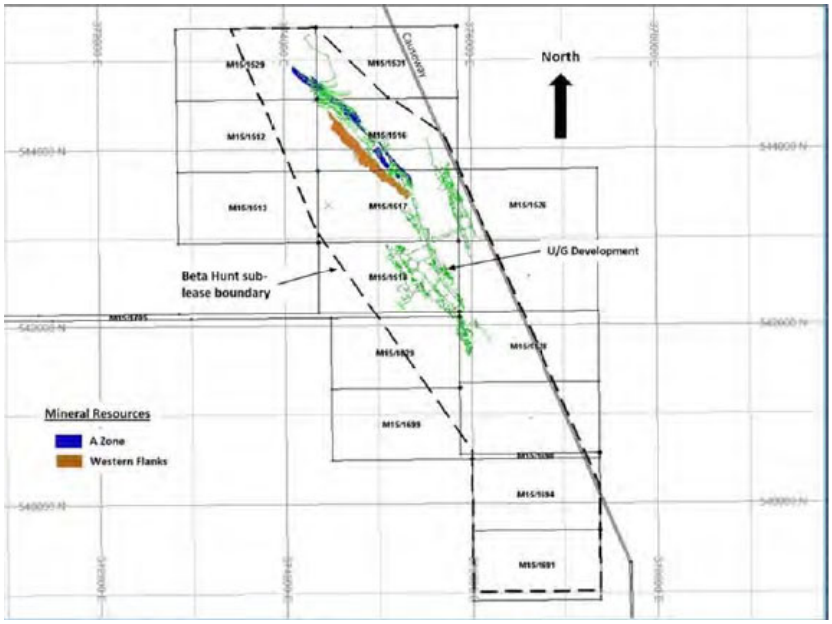


Table 1: the Beta Hunt Mine Mineral Tenure Information

Mineral Lease	Holder	Area	Unit	Rent[(1)]	Commitment[(1)]	Grant Date	Expiry Date
M 15/1512	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1513	SIGMC	121.20	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1516	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1517	SIGMC	121.45	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1518	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1526	SIGMC	121.45	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1527	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1529	SIGMC	121.40	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1531	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1628	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1629	SIGMC	121.35	ha	$2,281	$12,200	Dec 24, 2004	Dec 23, 2025
M 15/1691	SIGMC	108.15	ha	$2,038	$10,900	Dec 24, 2004	Dec 23, 2025
M 15/1694	SIGMC	110.85	ha	$2,076	$11,100	Dec 24, 2004	Dec 23, 2025
M 15/1698	SIGMC	7.74	ha	$150	$10,000	Dec 24, 2004	Dec 23, 2025
M 15/1699	SIGMC	110.95	ha	$2,076	$11,100	Dec 24, 2004	Dec 23, 2025
M 15/1702	SIGMC	110.40	ha	$2,076	$11,100	Dec 24, 2004	Dec 23, 2025
M 15/1705	SIGMC	42.39	ha	$804	$10,000	Dec 24, 2004	Dec 23, 2025

Note:

1. Rent and commitment are for 2018/2019 and are given on 100% basis. SLM share of rent is 20%.

Table 2: the Beta Hunt Mine Sub-Lease Exploitable Area

Mineral Lease	**Exploitable Area** (begins below elevation Australian Height Datum metres)
M 15/1512	Linear decrease from northern limit of the tenement to southern limit of the tenement, being from 200 to zero
M 15/1513	0
M 15/1516	Linear decrease from northern limit of the tenement to southern limit of the tenement, being from 200 to zero
M 15/1517	0
M 15/1518	-100
M 15/1526	0
M 15/1527	-100
M 15/1529	At and below surface
M 15/1531	At and below surface
M 15/1628	-100
M 15/1629	-100
M 15/1691	-100
M 15/1694	-100
M 15/1698	-100
M 15/1699	-100
M 15/1702	-100
M 15/1705	-100

- ***Mining Rights in Western Australia***

Under section 9 of the *Mining Act 1978* (WA) ("**Mining Act**") all gold, silver, other precious metals and other minerals are generally the property of the Crown. In Western Australia, a mining lease is considered to be the primary approval required for major mineral development projects as it authorises the holder to mine for, and dispose of, minerals on the land over which the lease is granted.

The mining tenements subject to the Beta Hunt Mine sub-lease are mining leases in good standing held by SIGMC. The term of a mining lease is 21 years and may be renewed for further terms.

The lessee of a mining lease may work and mine the land, take and remove minerals and undertake all things necessary to effectually carry out mining operations in, on or under the land, subject to conditions of the mining lease and certain other exceptions under the Mining Act.

- *Native Title Act 1993*

In 1992, the High Court of Australia determined in Mabo v Queensland (No. 2) that the common law of Australia recognised certain proprietary rights and interests of Aboriginal and Torres Strait Islander people in relation to their traditional lands and waters. In response to the Mabo decision, the Native Title Act 1993 (Cth) ("**NTA**") was enacted. 'Native title' is recognised where persons claiming to hold that title can establish they have maintained a continuous connection with the land in accordance with traditional laws and customs since settlement and where those rights have not been lawfully extinguished.

The NTA codifies much of the common law in relation to native title. The doing of acts after 1 January 1994 that may affect native title (known as 'future acts'), including the grant of mining tenements, are validated subject to certain procedural rights (including the 'right to negotiate') afforded to persons claiming to hold native title and

whose claim has passed a 'registration test' administered by the National Native Title Tribunal (which assesses the claim against certain baseline requirements).

- *Aboriginal Heritage Act 1972*

The *Aboriginal Heritage Act* 1972 (WA) ("**AHA**") protects places and objects that are of significance to Aboriginal and Torres Strait Islander people in accordance with their traditional laws and customs ("**Aboriginal Sites**"). The AHA provides that it is an offence, for a person to damage or in any way alter an Aboriginal Site.

Compliance with the AHA is an express condition of all mining tenements in Western Australia. Accordingly, commission of an offence under the AHA may mean that the mining tenement is vulnerable to an order for forfeiture. The Western Australian Department of Aboriginal Affairs maintains a register of sites that have been registered under the AHA.

A search of the Department of Aboriginal Heritage Inquiry System ("**AHIS**") shows no registered heritage sites on the four tenements (M15/1512, M15/1516, M15/1529 and M15/1531) where SLM is likely to conduct any surface disturbance.

- ***The Beta Hunt Mine Sub-Lease***

The Beta Hunt Mine sub-lease grants SLM the right to exploit nickel and gold mineralization on the property free from encumbrances other than the royalties discussed below and certain other permitted encumbrances. It was purchased from Consolidated Minerals Limited in 2013 and the gold rights to the sub-lease were acquired separately from SIGMC in 2014. On an annual basis, SLM must pay to SIGMC 20% of (i) all rent payable by SIGMC in respect of each tenement (ii) all local government rates and (iii) all land or property taxes.

- ***Royalties***

SLM pays the following royalties on nickel production:

- A state royalty equal to 2.5% of recovered nickel;
- A royalty to Consolidated Minerals Limited capped at A$16,000,000 and equal to 3% of payable nickel when prices are less than A$17,500/t nickel and 5% when prices are greater than or equal to A$17,500/t;
- A royalty to Maverix Metals (Australia) Pty Ltd equal to 0.5% of payable nickel less allowable deductions; and
- A royalty to Maverix Metals (Australia) Pty Ltd equal to 1.0% of payable nickel less the cost of transportation and processing.

SLM pays the following royalties on gold production:

- A state royalty equal to 2.5% of recovered gold;
- A royalty to Maverix Metals (Australia) Pty Ltd equal to 1.5% of recovered gold less allowable deductions; and
- A royalty Maverix Metals (Australia) Pty Ltd equal to 6.0% of recovered gold.

- ***Effect of Native Title on Beta-Hunt Mining Tenements***

  - *Federal Court Proceedings*

The Native Title dispute is now closed with the full Federal Court unanimously confirming the validity of almost 300 mining leases, including the Beta Hunt Mine leases and any sub-lease of them.

- ***Environmental Liabilities***

SLM is responsible for satisfying all rehabilitation obligations arising on or after 25 July 2013 on the Beta Hunt Mine Sub-Lease that have arisen as a result of the activities of SLM and Consolidated Minerals. However, SLM is not required to restore or rehabilitate the area to a condition that is better than that existing on July 25, 2003 as determined by the environmental audit conducted at that time. SIGMC is responsible for all other rehabilitation obligations. A 2015 internal audit, based on a 2008 independent audit undertaken by Consolidated Minerals, estimated the current rehabilitation liability accruing to SLM for the Beta Hunt Mine Sub-Lease at A$308,000. SLM advises that there are no other outstanding significant environmental issues.

History

- ***Kambalda Nickel Camp***

WMC first intersected nickel sulphide mineralization at Red Hill in January 1966 after drilling to test a gossan outcrop grading 1% Ni and 0.3% Cu. This discovery led to delineation of the Kambalda Nickel Field where WMC identified 24 deposits hosted in structures that include the Kambalda Dome, Widgiemooltha Dome and Golden Ridge Greenstone Belt. The deposits extend 90 km from Blair in the north to Redross in the south and over an east-west distance of 30 km, from Helmut to Wannaway. A single concentrator to treat ore from the various mines is centrally located, in Kambalda.

- ***Beta Hunt Mine Discovery***

The Hunt nickel deposit was discovered by WMC in March 1970, during routine traverse drilling over the south end of the Kambalda Dome. The discovery hole, KD 262, intersected 2.0 m grading 6.98% nickel. Portal excavation for a decline access began in June 1973. While the decline was being developed, the Hunt orebody was accessed from the neighbouring Silver Lake mine, via a 1.15 km cross-cut on 700 level. As discussed in Section 1, the 700 level access is now used to provide service water to the Beta Hunt Mine. The first ore was hauled up the decline in October 1974.

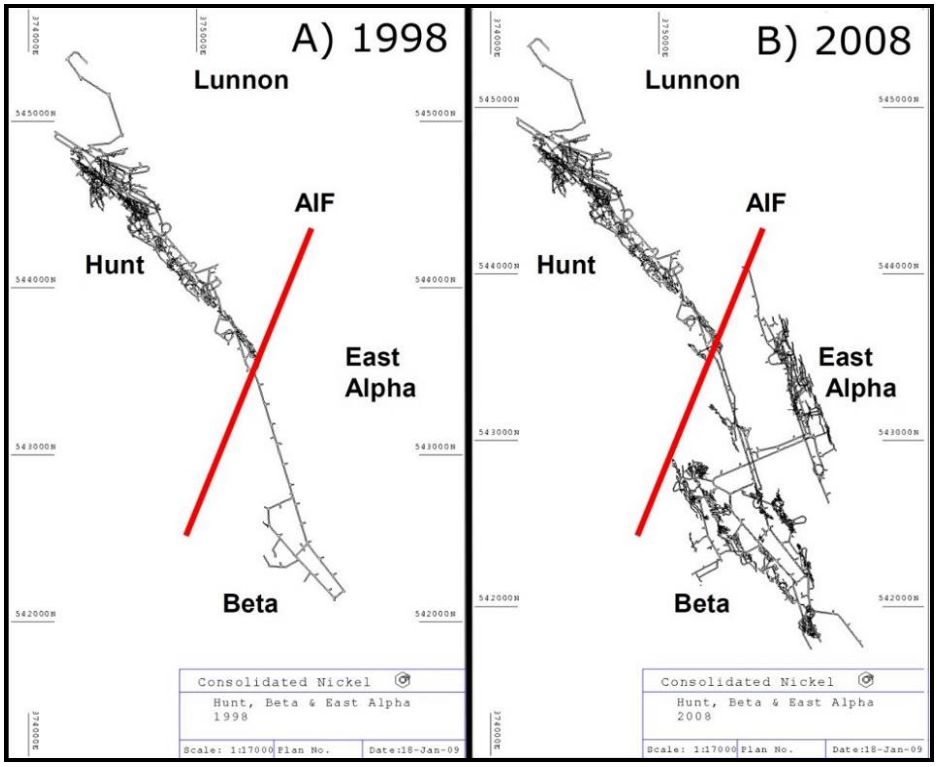
- ***1974 – 1998 WMC Operation***

The first ore production from the decline occurred in October 1974. Over the following 14 years, WMC operated the mine periodically and extended the decline south through the Alpha Island Fault to access the Beta nickel deposit. By the time production was halted in 1998 due to the Asian crisis and associated collapse in Ni prices, the Beta decline and return airway had been established. Figure 3 shows the mine development at the completion of the WMC operation in 1998.

Although patches of gold have been found at Hunt since nickel mining began, it was not until 1978-1979, when decline development reached the 10 and 11 levels of A Zone and the 9 and 10 levels of D Zone deeps that the presence of a major gold mineralized system was confirmed in the footwall basalt. From 1979 to 1984, development and mining of the A Zone gold orebody took place on 4 levels using both airlegs and jumbos, with long-hole stopes being mined. Between 1979 and 1984, gold was also mined as specimen stone or in conjunction with nickel stoping operations.

As part of the divestment of non-core assets by WMC in late 2001, the tenements covering the current the Beta Hunt Mine sub-lease and all surface and underground infrastructure became the property of SIGMC, which is now part of Gold Fields Limited. SIGMC did not operate the Beta Hunt Mine.

Figure 3: Plan view of the Hunt, Beta and East Alpha mine development over time



- ***2003 – 2008 Reliance / CNKO Operation***

Reliance Mining Limited acquired rights to mine nickel on the Beta Hunt Mine sub-lease from SIGMC in 2003 and began production in November of that year. In 2005 Reliance was taken over by Consolidated Minerals and the operating company was renamed Consolidated Nickel Kambalda Operations ("**CNKO**"). The new owners invested heavily in infrastructure to access the deeper mineralization and increase the production rate, spending A$15M on the Return Air Pass ("**RAP**") and associated fans.

It is important to note that the Beta Hunt Mine sub-lease did not include gold rights, which remained with SIGMC. Consequently, no effort was made by CNKO to delineate gold resources and there was no follow-up of gold mineralization intersected while drilling for nickel.

CNKO conducted significant drilling to expand the resource base, resulting in discovery of the East Alpha nickel deposit. The first ore was mined from East Alpha in March 2006. Major exploration drilling programs were undertaken at Beta and East Alpha to extend the life of these mines. Despite the success of these programs, the financial crisis and associated collapse in nickel price resulted in CNKO placing the Beta Hunt Mine on care and maintenance on November 13, 2008.

Total reconciled production for Beta and East Alpha for the period 2003 to 2008 is 652 kt grading 2.43% Ni for approximately 16 kt nickel contained in ore.

At the time that CNKO suspended mining activities in 2008, resources were updated using all available drilling results. This historical resource estimate is presented in Table 3 as shown in the internal document by Consolidated Nickel Kambalda Operations (2008b).

Table 3: Historical the Beta Hunt Mine Mineral Resources as at 31 December 2008[1]

	DECEMBER 2008		
Category	**Tonnes ('000)**	**Ni%**	**Ni Tonnes ('000)**
Measured	123	4.9	6,0
Indicated	328	4.5	14.8
Inferred	416	3.7	15.4
Total	**877**	**4.2**	**36.5**

Note:

1. Mineral Resources reported above 1% Ni cut off.

These are historical estimates. The historical estimates may have been prepared according to the accepted standards for the mining industry for the period to which they refer; however, they do not comply with the current CIM standards and definitions for estimating resources and reserves as required by NI 43-101 guidelines. A qualified person has not done sufficient work to classify the historical estimates as a current resource estimate and the issuer is not treating the historical estimates as a current resource estimate. As a result, historical estimates should not be relied upon unless they have been validated and restated to comply with the latest CIM standards and definitions.

- ***2013-Present Salt Lake Mining Operation***

The Beta Hunt Mine sub-lease was taken over from CNKO by SLM in 2013. Gold mining rights for the sub-lease were also secured from Gold Fields Limited in 2013. This consolidation of gold and nickel rights put SLM in a position to exploit the synergies of adjacent but separate nickel and gold deposits that are accessible from common mine infrastructure. The mine began producing nickel and gold in the second quarter of 2014, with gold production being temporarily halted in the third quarter before restarting in the fourth quarter of 2015. RNC acquired 100% of SLM through a staged acquisition process that was finalized on May 31, 2016.

Since December 31, 2016 to December 31, 2019, the Beta Hunt Mine has mined 1,490 kt of gold mineralization at average grade of 3.28 g/t Au (189 koz contained gold) and has delivered for processing 56 kt of nickel mineralization at an average grade of 2.57 % Ni (1,439 kt contained nickel).

Gold was produced primarily from the Western Flanks, A Zone and Beta areas. The major single contributor to production over this period was the discovery and recovery of the Father's Day Vein ("**FDV**") development mineralization from the 15 level of the A Zone lode in September and October, 2018. The FDV hosted specimen quality, coarse gold in quartz veining adjacent to a sheared pyritic sediment unit. An estimated 25 koz of gold was recovered (processed mineralization and specimen stone) from a single 60 m3 development drive cut.

Nickel was produced primarily from East Alpha and Beta areas.

Geological Setting, Mineralization and Deposit Types

- ***Regional Geology***

The Kambalda–St Ives region forms part of the Norseman–Wiluna greenstone belt which comprises regionally extensive volcano-sedimentary packages. These were extruded and deposited in an extensional environment at about 2700–2660 Ma. The mining district is underlain by a north-northwest trending corridor of basalt and komatiite rocks termed the Kambalda Dome. The iron-nickel mineralization is normally accumulated within the thick Silver Lake Member of the Kambalda Komatiite Formation above, or on the contact with the dome structured Lunnon Basalt.

- *Lunnon Basalt*

The footwall Lunnon Basalt is the lowermost unit in the stratigraphy at Hunt and is the host to the majority of gold mineralization. The Lunnon Basalt has a minimum inferred thickness of 1,750m and comprises tholeiitic basaltic flows with persistent pillowed layers, flow top breccias and sediment bands.

- *Kambalda Komatiite*

The Kambalda Komatiite is a sequence of high-MgO ultramafic flows between 50 to 1000 m thick. It is divided into two members: the lower Silver Lake Member, and upper Tripod Hill Member. The Silver Lake Member comprises one or more komatiite flows (10 - 100 m thick) that are subdivided into a lower cumulate zone and an upper spinifex textured zone. The Tripod Hill Member consists of numerous thin (<0.5 – 10 m) komatiite flows. Lateral and vertical variations in composition of each flow as well as distribution of interflow sulphidic sediments define channel flow and sheet flow facies. In the near nickel resources, the stratigraphic contact is highly irregular and structurally disturbed. Numerous mafic, felsic and intermediate intrusions intersect the sequence. The nickel sulphide resources occur at the base of the Silver Lake Member on the contact with the Lunnon Basalt.

- *Interflow sediments*

Thin (< 5 m) interflow sedimentary rocks are common on the contact between the Lunnon Basalt and Kambalda Komatiite and within the komatiite lavas, particularly in the less differentiated Silver Lake Member. Sediments are dominated by pale cherty and dark carbonaceous varieties, which comprise quartz + albite with minor tremolite, chlorite, calcite and talc and sulphidic bands of pyrrhotite, pyrite, and minor sphalerite and chalcopyrite. Chloritic or amphibole-rich varieties are less common.

- *Intrusions*

The units that host the nickel sulphide mineralization are intruded by granitoids, dykes and sills of mafic, intermediate and felsic composition. Felsic intrusives of sodic rhyolite composition are coarse grained, porphyritic and quartz-rich, and commonly occur throughout the sequence as dykes and sills. Intermediate intrusives (typically dacitic composition) are more variable in texture and composition, but porphyritic types are common and contain feldspar phenocrysts in a biotite-amphibole matrix. Mafic intrusives of basaltic composition are less common but are known to occur in the Lunnon Shoot. The Kambalda Granodiorite in the core of the Kambalda dome is trondhjemitic in composition and has associated felsic dykes.

These dykes vary in size and composition but are all thought to have been emplaced post D2 deformation and pre D4 gold mineralization. As a result, gold mineralization is not greatly disrupted by the presence of the porphyry intrusives and mineralization is often enhanced at their contacts with the contrasting lithologies acting as a preferred zone of deposition.

Local and Property Geology

The Beta Mine sub-lease covers the lower stratigraphy of the Kambalda Dome sequence comprising the footwall Lunnon Basalt, overlain by the Silver Lake and Tripod Hill members of the Kambalda Komatiite. The stratigraphy is intruded by quartz-feldspar and intermediate porphyry sills and dykes.

- ***Nickel Mineralization***

Nickel mineralization is hosted by talc-carbonate and serpentine altered ultramafic rocks. The deposits are ribbon-like bodies of massive, matrix and disseminated sulphides varying from 0.5 - 4.0 m in true thickness but averaging between 1.0 - 2.0 m. Down dip widths range from 40 - 100 m and the grade of nickel ranges from below 1 to 20%. Major minerals in the massive and disseminated ores are pyrrhotite, pentlandite, pyrite, chalcopyrite, magnetite, and chromite, with rare millerite and heazlewoodite generally confined to disseminated mineralization. The hangingwall mineralization tends to be higher tenor than the contact material. The range of massive ore grades in the hangingwall is between 10 and 20% nickel while the range for contact ore is between 9 and 12% nickel. The hangingwall

mineralogy varies between an antigorite / chlorite to a talc/magnesite assemblage. The basalt mineralogy appears to conform to the amphibole, chlorite, plagioclase plus or minus biotite.

Unlike other orebodies on the Kambalda Dome, the Beta Hunt Mine system displays complex contact morphologies, which leads to irregular ore positions. The overall plunge of the orebodies is shallow in a southeast direction, with an overall plunge length in excess of 1 km. The individual ore positions have a strike length averaging 40 m and a dip extent averaging 10 m. The geometry of these ore positions vary in dip from ten degrees to the west to 80 degrees to the east. The mineralization within these ore positions is highly variable ranging from a completely barren contact to zones where the mineralization is in excess of 10 m in true thickness.

- ***Gold Mineralization***

Gold mineralization is focussed about the Kambalda Anticline and controlled by northwest trending, steep, west dipping shear zones associated with re-activated normal faults that previously controlled the komatiitic channel flow and associated nickel sulphide deposition. Gold mineralization is interpreted as a D3 extensional event associated with porphyry intrusives – the source of magmatic hydrothermal fluids carrying the gold.

Mineralization is hosted dominantly in Lunnon Basalt (below the ultramafic contact) with minor amounts associated with specific porphyry intrusives. Not all porphyries are mineralised - some are intruded post-mineralization. The basalt (and porphyries) are preferred mineralization hosts as a result of their susceptibility to hydraulic fracturing to form quartz veining, with the migrating ore fluids causing wall-rock alteration. The migrating ore fluids associated with the shearing are interpreted to pass through the overlying ultramafic (because of its ductile nature), developing as mineralization only where the shear zone passes through more competent rock, e.g, porphyry and basalt.

Gold mineralization occurs in three broad, steeply dipping, north-northwest striking quartz vein systems within biotite-albite-pyrite altered shear zones hosted by the Lunnon Basalt. Veining is dominated by shear parallel and extensional vein styles. A Zone and the Western Flanks both occur to the north of a major north-northeast trending structure and are represented by Beta mineralization to the south of the fault. The Fletcher Shear Zone was discovered by drilling in 2016 and is the third mineralised gold zone at the Beta Hunt Mine.

A fourth zone – East Alpha – is inferred by analogy to the known mineralised quartz vein systems, however, further drill testing is required to confirm its existence.

Coarse, specimen quality occurrences of gold can occasionally be found where the mineralised shears intersect the interflow sediment horizon and the overlying nickel-bearing basalt/ultramafic contact.

- ***Deposit Types***

The nickel deposits on the Beta Hunt Mine Sub-lease are type examples of the Kambalda style komatiite hosted nickel sulphide deposits. The characteristics of the Western Flanks and A Zone gold lodes deposits are consistent with the greenstone-hosted quartz-carbonate vein (mesothermal) gold deposit model. Exploration for extensions of these deposits and new deposits within the Beta Hunt Mine Sub-lease are therefore based on these models as described below.

  - *Kambalda Style Komatiite-hosted Nickel Sulphide Deposits*

Kambalda style nickel sulphide deposits are typical of the greenstone belt hosted komatiitic volcanic flow- and sill-associated subtype of magmatic Ni-Cu-Pt group elements deposits.

  - *Komatiitic Ores in Greenstone Belt Setting – Kambalda Camp*

Ni sulphide ores of the Kambalda camp are typical of the basal contact deposits associated with ultramafic flows in greenstone belts. They occur in the Kambalda Komatiite, which is a package of ultramafic flows (2710 Ma) that has been folded into an elongate doubly plunging anticlinal dome structure about 8 km by 3 km. The underlying member of this succession is the Lunnon Basalt, and the overlying units are a sequence of basalts, slates and greywackes

(2710 to 2670 Ma). The core of the dome is intruded by a granitoid stock (2662 Ma) whose dykes crosscut the komatiitic hosts and ores.

The Kambalda Komatiite is made up of a pile of thinner, more extensive "sheet flows" and thicker "channel flows" which have created channels by thermal erosion of the underlying substrate. The flows that contain ore are channel flows, which may be up to15 km long and 100 m thick, and occupy channels in the underlying basalt. Flows in the pile are commonly interspersed with interflow sediment, typically sulphidic.

Most of the ore bodies are at the basal contact of the lowermost channel flows (accounting for 80% of reserves), though some do occur in overlying flows in the lower part of the flow sequence. The ore bodies typically form long tabular or lenticular bodies up to 3 km long and 5 m thick. The ores generally consist of massive and breccia sulphides at the base, overlain successively by matrix-textured sulphides, and disseminated sulphides. The sediment that underlies the flow sequence is generally absent beneath the lowermost ore-bearing channel flow, due to thermal erosion by the flow.

Structural deformation renders the shape and continuity of ores more complicated in many instances. Because of their weaker competency compared to their wallrocks, sulphide zones are in many cases strung out along, or cut off by faults and shear zones.

- *Greenstone-Hosted Quartz-Carbonate Vein (a.k.a. Orogenic/Mesothermal) Gold Deposits*

Greenstone-hosted quartz-carbonate vein deposits ("**GQC**") are a sub-type of lode gold deposits. They are also known as mesothermal, orogenic, lode gold, shear-zone-related quartz-carbonate or gold-only deposits. They correspond to structurally controlled complex epigenetic deposits hosted in deformed metamorphosed terranes. They consist of simple to complex networks of gold bearing, laminated quartz-carbonate fault-fill veins in moderately to steeply dipping, compressional brittle-ductile shear zones and faults with locally associated shallow-dipping extensional veins and hydrothermal breccias. They are hosted by greenschist to locally amphibolite facies metamorphic rocks of dominantly mafic composition and formed at intermediate depth in the crust (5-10km).

The greenstone-hosted quartz-carbonate vein deposits are one of the most significant sources of gold and account for 13.1% of all the world gold content (production and reserves). They are second only to the Witwatersrand paleoplacers of South Africa. The largest GQC deposit in terms of total gold content is the Golden Mile complex in Kalgoorlie, Australia with 1821 tonnes Au. The Hollinger-McIntyre deposit in Timmins, Ontario, is the second largest deposit ever found with 987 tonnes of gold. The average grade of the deposits varies from 5 to 15 g/t Au, whereas the tonnage is highly variable from a few thousand tonnes to 10 million tonnes of ore, although more typically there are only a few million tonnes of ore.

Exploration

Exploration for nickel and gold mineralization on the Beta Hunt Mine sub-lease has been completed primarily by drilling which is described under the heading "*Drilling*" below. Since the sale of the asset by WMC in 2001, limited non-drilling exploration has been completed on the property. Programs relevant to ongoing exploration work are described below.

- ***Geophysics***

A three dimensional seismic survey was conducted in 2007 by Geoforce Pty Ltd during CNKO tenure. Three-dimensional design and logistics were provided by the Department of Exploration Geophysics, Curtin University. Data was acquired above the Beta Hunt Mine nickel mine on Lake Lefroy.

The survey demonstrates that high-quality, high-resolution, 3D seismic data combined with volumetric seismic interpretation could become a primary methodology for exploration of deep, small, massive sulfide deposits distributed across the Kambalda area.

Drilling

Drilling at the Beta Hunt Mine has been carried out by SLM, CNKO, RML and WMC since 1970 to explore for and delineate nickel and gold resources using a variety of methods. As of December 31, 2019, the drill hole database holds 12,890 drill holes for approximately 547,000 metres within the sub-lease boundary as presented in Table 4. Only diamond drilling was used to estimate the current mineral resources of RNC. Table 5 provides a summary of holes drilled by type.

Table 4: the Beta Hunt Mine Database – total metres

Drill Type	Pre-2016	2016-2019	Total
AC	2,672		2,672
Diamond	459,005	82,725	541,730
Percussion	714		714
RAB	266		266
RC	1,269		1,269
Total	**463,926**	**82,725**	**546,651**

Table 5: Drilling by SLM and Previous Operators – number of holes

Drill Type	Pre-2016	2016-2019	Total
AC	88		88
Diamond	12,003	755	12,758
Percussion	12		12
RAB	5		5
RC	27		27
Total	**12,135**	**755**	**12,890**

Since March 2016, SLM have drilled 82,725 metres of diamond drilling in 755 holes to define additional Mineral Resources and to upgrade the Mineral Resource classification to support ongoing production and define mineable material. This drilling has been performed on:

- Western Flanks - 36243m;
- A Zone – 38284 m;
- Fletcher Trend – 1,478 m in 2 diamond drill holes since March 2016; and
- Beta/East Alpha – 6,721 m.

The above figures include all drilling completed to December 31, 2019. Post completion of the campaign drilling used in the 2019 Mineral resource estimate, further drilling has been completed as follows:

- Exploration and Resource Definition drilling
    - Western Flanks – 2,304 m in 10 diamond holes
    - A Zone - 396 m in 23 diamond holes
    - Fletcher – 619m in 1 hole

- EastAlpha/Beta – 655m in 8 holes

- Grade Control – 1,375m in 25 holes

Drilling at the Beta Hunt Mine has served to establish resource estimations both for nickel and gold as detailed under the heading "*Mineral Resource Estimates*" below. A significant number of nickel and gold occurrences have been intersected outside the current resources. These include both occurrences along the immediate trends of current resources and along poorly explored parallel trends.

Sampling, Analysis and Data Verification

- ***Sampling***

Drill hole data for the Beta Hunt Mine gold and nickel mineralization has been collected by SLM, CNKO, and WMC since 1966. Drill-hole programs by SLM and CNKO were conducted under written protocols which were very similar and generally derived from the original operator, WMC. The operator's geologists performed the geological (and geotechnical where required) logging and marked the core for sampling. The core was either cut onsite or delivered to the laboratory where all further sample preparation was completed prior to assay analysis. All diamond core has been 100% logged by a geologist. Core after 2007 has also been geotechnically logged. All core after 2007 has been photographed both wet and dry and the photos are stored on the network.

SLM gold sampling is non-selective to ensure gold assays are received to cover the full extent of gold related alteration.

Sample handling and submission to the laboratory protocols were documented for SLM and CNKO. No historic documentation is available for WMC drill holes.

Sample security involves two aspects: maintaining the chain of custody of samples to prevent inadvertent contamination or mixing of samples, and rendering active tampering as difficult as possible. No specific security safeguards have been put in place to maintain the chain of custody during the transfer of core between drilling sites, core library and sample preparation and assaying facilities. Samples are taken on site by SLM staff and contract employees, supervised by geology staff. The work area and sample storage areas are covered by general site security video surveillance. Samples bagged in plastic sacks are collected by the laboratory transport from site and driven to the Kalgoorlie laboratory, in line with the practice across the industry.

During the site visits, and working on site, the Qualified Person has inspected the core logging yard and directly observed how core was sampled and transferred to the care of the Laboratory. In the opinion of the Qualified Person, the procedures in place ensure samples remained in the custody of appropriately qualified staff. The sampled trays of cut core are stacked on pallets and placed in the on-site core yard.

Pulps returned from laboratory sample preparation are stored in the core yard on pallets. These remain available for later check assay programs.

During the site visits, and working on site, the Qualified Person found no evidence of active tampering. Procedures to prevent inadvertent contamination of assay samples have been followed, including daily hosing out of core saw and sampling area.

Key details of each operator's sample preparation procedures as well as laboratory sampling and sub- sampling procedures follows.

- *SLM 2016-2019*

Diamond drilling carried out by SLM is logged, sampled and analysed according to written procedures.

Gold mineralization is targeted using NQ2 diamond drill holes generally sampled as half core, except for grade control holes which were sampled as whole core. Sample intervals were based on geology, with a minimum 0.2 m to maximum 1.2 m sample size. Whole core samples were taken with a maximum length around 0.8m to reduce excessive sample weight.

Grade control holes in 2018-2019 were drilled in core size LTK60 and sampled as whole core.

Core is photographed wet and dry before sampling and stored electronically.

Sampling was performed by a technician in line with sample intervals marked up on the core by a geologist. Core is cut at the sample line and either full or ½ core is taken according to the geologist instructions and placed into numerically marked calico sample bags ready for dispatch to the laboratory, and QAQC standards and blanks inserted.

All diamond core was oriented, as far as possible, and oriented structures logged with alpha and beta angles.

- *SLM 2014-2016*

Diamond drilling carried out by SLM before 2016 was sampled and analysed according to written procedures. Gold mineralization was targeted using diamond drill holes with a minimum 0.3 m to maximum 1.2 m sample size. Diamond holes were NQ, BQ and AQ sizes. NQ2 holes drilled in 2014 were orientated.

Logging was performed on field laptop computer in Microsoft Excel templates and imported to a Microsoft Access drill hole database.

Sampling was performed by a technician after the geologist marked sample intervals on the core. Core is cut at the sample line and either full or ½ core is taken according to the geologist instructions and placed into numerically marked calico sample bags ready for dispatch to the laboratory.

- *CNKO 2005-2008*

CNKO drilling was targeting nickel mineralization in most cases. Diamond drilling carried out by CNKO was sampled and analysed according to written procedures. Drill core is halved and sampled at maximum 1 m intervals through potentially mineralized zones. Sampling to lithological boundaries takes precedence for smaller intervals, down to a minimum length of 0.1 m. The sampling protocol and the sampling volumes are considered to provide a representative sample for the style of massive sulphide mineralization encountered. The remaining half core is retained on site and stored at the core yard.

- *Reliance Mining Limited 2003-2005*

Diamond drilling carried out by Reliance Mining Limited was sampled and analysed according to written procedures. Core is logged geologically on site by mine geologists and marked with the desired sample intervals. The core is then transported to Kalassay's (formerly Kalgoorlie Assay Laboratory's), Kalgoorlie laboratory for cutting, sample preparation and analysis.

- *Western Mining Corporation pre 2003*

Western Mining Corporation procedures for logging, sampling, assaying and QAQC of drill hole programs were not available at the time of the Beta Hunt Mine Technical Report. It is assumed it was of high quality and in line with industry standards.

- ***Laboratory Sampling and Sub-Sampling Procedures***

All SLM samples since March 2016 have been processed at SGS Kalgoorlie. The subsampling process is as follows:

- Samples are dried if necessary.
- Samples are crushed to 3mm and split. Most samples weigh from 1 to 2.8 Kg.
    - One split is forwarded to milling.
    - Second split is kept as retained crushed sample.
    - Second split is also analysed at intervals generated by the Laboratory computer.

Sample splits are pulverised to 90% passing 75µm. This is done in a cycle through a row of four mills, so a sample numbered four higher than the previous will be processed through the same mill.

- The pulverised material is taken:
    - 300g taken in scoop,
    - subsampled taking 25g to check screening (one sample in 20),
    - excess retained.

- ***Analysis***

Since March 2016, all analyses for SLM have been carried out by SGS Kalgoorlie (Au) and SGS Perth (with only a small number of batches for Ni by multielement ICP).

From 2005 to March 2016, all samples to be analysed for either nickel or gold were sent to Bureau Veritas (Kalassay) laboratories in Kalgoorlie. The assay laboratories used prior to this time are unknown.

WMC procedures for logging, sampling, assaying and QAQC of drill hole programs are not available at the time of the Beta Hunt Mine Technical Report. It is assumed it was of high quality and in line with industry standards.

- *Gold Analysis*

In March 2016, SLM changed from Bureau Veritas (Kalassay) to SGS Kalgoorlie for analysis.

The basic fire assay procedure for gold used at SGS is as follows. First, sample preparation is done through crushing and splitting as per the section titled "*Laboratory Sampling and Sub-Sampling Procedures*" above. Then, 50g subsample of pulverised material taken for fire assay in disposable container. The flux dispenser adds 170g of flux to 50g charge in racked disposable container. Then the carry out fire assay process occurs by pouring the racked charges into racked fire assay crucible, firing the charges in their racks, removing from furnace and pour racks into cooling mould, recovering the fused button from the glass slag, then the button is fired in a cupel which absorbs the base metals and leaves a prill of precious metal (Au and if present Pt and Pd) only. The prill is then dissolved in nitric acid, hydrochloric acid, Aqua Regia and the solution is made up to volume and analysed by atomic absorption spectroscopy. QAQC then runs by the laboratory using internally supplied blanks duplicates, replicates and standards in every batch.

- *Nickel Analysis*

Most Ni assays were completed before SLM changed to SGS in March 2016. Only fifteen batches were analysed for Ni at SGS, using their Perth laboratory - can be identified by WM prefix in batch number.

The SGS samples were analysed by four-acid digest with ICP finish.

Previous to March 2016, Bureau Veritas (Kalassay) analytical method for analysing nickel by multielement analysis by mixed acid digest / ICP-AES or ICP-MS (MA200, MA201, MA202) was calculated in the following manner. In order to determine assay weight, a sub-sample of 200 mg was taken from the pulped sample in the high wet strength paper packet. The actual weight is recorded and is included in the results calculation process. The ICP analysis took place by subjecting the diluted sample (mixed acid digest of a 200 mg (0.2 g)) solution to analysis by ICP-AES or ICP-MS. Commercially available and traceable standards are digested and analysed as part of the job. The performance of these standards within the analytical batch is used to validate the job data and are reported with the job results.

All stages of the process are tracked and controlled by the LIMS. Integral to this system are a range of internal checks and QAQC protocols. Each job is checked for: (i) analytical performance against known/client standards, (ii) analytical performance against internal standards, (iii) reproducibility of repeat samples, taking into account method limitations and agreed error bars, (iv) analytical performance of blank samples, and (v) distribution of anomalous elemental values.

Should there be any failures detected at this stage, an investigation is initiated and the results of that could be reanalysis of part or all of the samples in the batch. Only when the analysts are satisfied with all the results are results made available.

- ***Quality Control***

Drill hole programs by SLM, CNKO and RML were conducted under written protocols which were very similar and generally derived from the previous operator. Certified standards, blanks and duplicates were part of the protocols. No umpire laboratories have been used.

QA/QC data is available for certified standards and blanks which were routinely inserted into sample batches after 2007.

The standards and blanks analysed suggest the quality of nickel sample preparation and assaying work conducted by Kalassay during 2008 was not to a high standard with some jobs requiring re-assay. The analysis did not demonstrate any clear bias in the data. Reconciliation of nickel mining by SLM has generally been very good and therefore it is assumed that quality of laboratory work during this time has not impacted materially on the estimation of nickel mineral resources.

Documentation for WMC QA/QC data is was not available. Reconciliation of nickel mining by SLM has generally been very good and therefore it is assumed that the WMC data is reliable. It is worth noting that WMC were considered to be leaders in the mining industry and had a reputation as a company with high standards.

However, in the parts of the mineralized structures included in the present mineral resources, there are very few WMC holes and the authors of the Beta Hunt Mine Technical Report are of the view that their data makes little contribution to the estimates.

- *SLM 2014-2019*

All drill hole programs completed by SLM were conducted under written procedural standards. The changes that have occurred since March 2016 include the following:

- Standards for gold and nickel were provided by Ore Research & Exploration Pty Ltd ("**OREAS**"). From June 2016 on, Geostats standards were procured for Au, and by November 2016 were exclusively used for Au assay batches.

- Coarse Blank used by SLM is Bunbury Basalt sourced from Gannet Holdings Pty Ltd via Geostats Pty Ltd.

- From March to December 2017, SLM made their own blank material for cost reasons. This was made up from crushed sample reject, by selecting samples with analyses of <0.01 g/t Au.

The SLM procedure for insertion of quality control samples is as follows. First, for drilling, start every batch with a blank. (Note: in the past this was under the assumption that the blank would clean the crusher and mill before our samples started. This does not take account of the cycling four-unit setup at the lab). Then, insert at least one blank and one CRM per batch, however small the batch of drill hole samples plus one CRM or blank every 20 samples. One blank and one standard may be inserted within a recognised ore zone, either added or by moving ones applied every 20 samples. In samples with observed visible Au, it is recommended to put a coarse blank in the fourth sample after the visible Au. This serves both as a coarse flush to prevent contamination of subsequent samples and a test for Au smearing from one sample to the next due to inadequate cleaning of the crusher and pulveriser. Visible gold sample numbers should be notified on Lab dispatch sheet. The Laboratory have added feldspar flush and additional cleaning after those samples.

The SGS Kalgoorlie lab apply their own QAQC insertions by random insertion generated by their LIMS system, which are:

- 4 internal standards per 84 samples;
- 2 repeats per 84 samples;
- 2 duplicates per 84 samples; and
- 1 blank per 84 samples.

SLM loads the laboratory splits and repeats in RNC's database, but do not use the laboratory standards and blanks data.

- *CNKO 2005-2008*

All drill hole programs completed by CNKO were conducted under written procedural standards. Core recovery was > 99%, and is recorded in RQD logs. All drill core is geologically logged using codes set up for direct computer input. Rock type, including mineralization intensity and texture, plus structural information are recorded. Zones of sulphide mineralization determined during geological logging are selected for assays. CNKO initiated routine duplicate sampling in October 2008.

In order to establish the degree of error associated with testing of drill core samples, certified standards and course blanks were placed within each sample batch which represents about 13% of submitted samples. Overall, an acceptable reconciliation exists between assayed and the expected value of standards.

- *RML 2003-2005*

All drill hole programs completed by RML were conducted under the protocols of written procedural standards. The RML procedure for inserting standards and blanks into drill core were as follows. Each day after the core has been logged and assay intervals have been specified, the geologist shall specify which standards and blanks are to be inserted into the sample, and at which depths using the drillcore_samp_submission spreadsheet. As a general rule, a minimum of 1 standard and 1 blank should be inserted into each ore zone within each hole. If an ore zone is particularly wide (say >10 m) then more than 1 standard may be inserted at the discretion of the geologist. The value of the standard inserted should wherever possible be of similar tenor to the mineralization (as estimated visually). Standards should be inserted either within the ore zone or immediately before the start of the ore zone. Blanks should preferably be inserted within the ore zone or (less preferably) immediately after it. There is no point placing a blank within or immediately after a zone of barren-looking material. The geological technician shall select the specified standard or blank and then relabel the standard or blank with the sample number specified in the drillhole_samp_submission spreadsheet. The standards and blanks shall be sent to the lab with the drill core.

- *WMC pre 2003*

WMC procedures for logging, sampling, assaying and QAQC of drill hole programs for gold and nickel were not available at the time of the Beta Hunt Mine Technical Report. QAQC data is also not available, however considering their excellent reputation it is assumed drilling, sampling and assaying were carefully managed by WMC.

- *Quality Control Analysis*

To monitor quality from the SGS laboratory in Kalgoorlie there have been 4,950 certified standards and 4,170 certified blanks inserted into sample batches since March 2016. An additional 209 non-certified blanks were briefly used, made up from sample reject of <0.01 Au. Should the quality control standard(s) and/or blanks fail the batch may be re-assayed at the discretion of the geologist. Where re-assaying has occurred the quality control standards and blanks are checked again and if passed the data is added to the database.

When assays are imported into the Geological Database Management System (the "**GDMS**"), the standards and blanks are automatically checked and pass/fail criteria applied. If a batch fails it is assessed using the following procedure. A single failure with no apparent cause, in a length of waste, may be accepted by the Qualified Person (geologist or database administrator). However, a failure or multiple failures that fit a pattern of substituted standards may also be accepted. A failure near or in a length of mineralization, will result in a request to the laboratory for re-assay of relevant samples. The Qualified Person changes the status from "Failed" to "DH Reassay" in the GDMS and then the reassayed results will be re-loaded and checked against QAQC again.

- ***Data Verification***

The Qualified Person has, through examination of internal SLM documents, personal inspections on site and discussions with other SLM personnel, verified the data in the Beta Hunt Mine Technical Report and satisfied himself that the data is adequate for the purpose of the Beta Hunt Mine Technical Report.

Mineral Processing and Metallurgical Testing

The Beta Hunt Mine is an operating mine that processes its gold mineralization through HGO. The processing of nickel is covered by the OTCPA Agreement with BHP. Under the OTCPA Agreement, BHP has the right to process the Beta Hunt Mine mineralization until 2023. Details on both nickel and gold processing that relate to the metallurgical performance of the Beta Hunt Mine mineralization are summarized below. Further discussion of these contracts is included under the heading "*Infrastructure, Permitting and Compliance Activities*".

- ***Nickel Processing***

Since ownership by WMC and until June 2018, nickel mineralization from the Beta Hunt Mine was processed at the nearby Kambalda Nickel Concentrator ("**KNC**") that is currently owned by BHP. As a result, the quality, variability and metallurgical response for this material is well understood. The mineralization is considered to be typical for the area and was blended with mineralization from other mines. As it would not be possible to measure the metallurgical recovery of the Beta Hunt Mine material within the blend, recovery was credited based on the grade of material treated as per the contractual agreement between BHP and SLM.

In July 2018, KNC was put on care and maintenance due to declining nickel production in the area. In May 2018, a one-year amendment was signed with BHP under the OTCPA to cover the Beta Hunt Mine nickel mineralization production from July 2018 to June 2019. This ore was shipped to the Leinster Nickel Concentrator. A new amendment (under the OTCPA) is now required for future nickel production.

The nickel mineralization also contains limited quantities of both copper and cobalt. Copper was recovered by KNC in sufficient quantities for SLM to receive credit. SLM, as part of the amendment to the OTCPA, was also given credit for cobalt when the material was processed through the Leinster Nickel Concentrator.

The nickel mineralization is considered 'clean' as it has low levels of deleterious elements, specifically arsenic (As), levels currently average < 20 ppm, compared to the penalty threshold of 400 ppm, and iron (Fe), MgO ratio is well above the threshold level of 0.8, below which penalties are charged.

- ***Gold Processing***

Gold mineralization is processed at HGO, located approximately 80km by road from the Beta Hunt Mine. Material is processed in either batches or mixed with other mineralization sources from HGO. HGO uses a conventional CIP gold circuit with quaternary crushing and ball milling with a gravity recovery circuit on the cyclone underflow. Grinding is followed by leaching with a production capacity of 1.3Mtpa. The gravity recoverable gold from the mineralization, which is recovered through a Knelson concentrator and Acacia high intensity leach reactor is treated separately to produce bullion. The mill cyclone overflow product flows to a leach circuit. The pregnant solution reports to carbon adsorption tanks followed by an acid wash and elution before the electrowinning circuit produces a calcine for smelting.

There are several approved tailings storage facilities on site, and currently the tailings are being deposited into the exhausted Vine open pit until September 2020, after which deposition will be transferred to existing TSF facilities.

Mineral Resource Estimate

- ***Gold***

Block model quantities and grade estimates for the Beta Hunt Mine set out in herein have been prepared using accepted industry practice and classified in accordance with the JORC Code, 2012 Edition by Paul Ellison, MAusIMM, under the supervision of Stephen Devlin, FAusIMM. Both are employees of SLM, a wholly-owned subsidiary of RNC.

Mr. Ellison is a Senior Geologist for SLM and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code, 2012 Edition.

Mr. Devlin is Vice President Exploration and Growth for SLM and has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the JORC Code, 2012 Edition and fulfils the requirements to be a "Qualified Person" for the purposes of NI 43-101.

The "JORC Code" means the Australasian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Mineral Council of Australia. There are no material differences between the definitions of Mineral Resources under the applicable definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum (2014) (the "**CIM Definition Standards**") and the corresponding equivalent definitions in the JORC Code for Mineral Resources.

The effective date of the Mineral Resource Statement for Western Flanks and A Zone are June 26, 2019 and August 9, 2019, respectively. This section describes the resource estimation methodologies and summarizes the key assumptions considered. In the opinion of the author of the Beta Hunt Mine Technical Report, the resource estimation reported herein is a reasonable representation of the global gold mineral resources found in the Beta Hunt Mine at the current level of sampling. Mineral resources are not mineral reserves and have not demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

The database used to estimate the Beta Hunt Mine mineral resources was compiled by Paul Ellison. Paul Ellison is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the mineralization domains for gold and that the assay data are sufficiently reliable to support mineral resource estimation.

Datamine software was used to construct the geological and mineralization solids, build block models and estimate gold grades. Snowden Supervisor software was used for statistical analysis of drill data and block data and generating variogram models for estimating gold grades.

- ***Resource Estimation Process***

The resource estimation methodology involved: (i) database compilation and verification of drill hole survey data and collar locations; (ii) construction of wireframe models was completed for cross-cutting faults, host rock types and mineralization domains. Interpreted shapes for faults were modelled prior to the host lithologies due to the faults disrupting stratigraphy and mineralization. Modelling host lithologies prior to modelling mineralised domains assisted interpretation of the architecture of the mineralization with the Beta Hunt Mine gold bearing structures frequently located along/within the margins of different host lithologies; (iii) data conditioning (compositing and capping of extreme grades) for geostatistical analysis and variography; (iv) block modelling and grade interpolation. All domains have been estimated directly using ordinary kriging, however, the hangingwall domain of Western Flanks was coded with indicator values (mineralization or waste) prior to estimating; (v) resource classification and validation; and (vi) depletion of the mineral resource using triangulations of development and stope voids supplied by the Beta Hunt Mine surveyors.

As the Beta Hunt Mine is an operating mine, the assessment of "reasonable prospects for eventual economic extraction" and selection of appropriate cut-off grades, is based on the cutoff grade calculations contained in the Beta Hunt Mine Technical Report.

- *Gold*

The gold mineral resource estimate for the Beta Hunt Mine is set out in the below Table 6. Mineral Resource classification has been determined via visual review of drill hole spacing and location of un-sampled areas in relation to drill traces and the continuity of grade according to the variogram model. The latest campaign of diamond drilling included some very closely spaced holes that were to test patches of "Fathers Day Vein" style mineralization and subsequently there is a small proportion of measured mineral resource. General rules that apply to the classification of mineral resource for Western Flanks and A Zone are as follows:

1. areas that have been tested by 12m-30m spaced drill centres have been classed as indicated, 30m-60m are inferred. Measured Mineral Resource has been tested by 12m spaced drill centres (or tighter).

2. All areas that have been tested by drilling are classed as Inferred as a minimum level of confidence.

3. All areas that are located adjacent to existing mine development voids are classed as indicated resource as a minimum level of confidence.

Table 6: The Beta Hunt Mine Gold Mineral Resources

Resource [1, 2, 3, 4, 5]	**Measured**			**Indicated**			**Measured & Indicated**			**Inferred**		
	kt	**g/t**	**koz**	**kt**	**g/t**	**koz**	**kt**	**g/t**	**koz**	**kt**	**g/t**	**koz**
Western Flanks [6]	447	2.8	40	7,001	3.0	670	7,448	3.0	710	2,481	3.1	250
A Zone [7]	254	2.7	22	2,403	2.7	212	2,657	2.7	234	1,628	3.0	156
Total	701	2.8	62	9,404	2.9	882	10,105	2.9	944	4,109	3.1	406

Notes:

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.
3. The 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 also 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. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
4. Gold Mineral Resources are reported using a 1.6 g/t Au cut-off grade.
5. Mineral Resources described here are based on information compiled by Paul Ellison, Senior Resource Geologist for SLM. Paul Ellison is an employee of SLM and is a member of the Australasian Institute of Mining and Metallurgy ("**MAusIMM**").
6. Mineral Resource Estimate as of June 26, 2019.
7. Mineral Resource Estimate as of August 9, 2019.

The gold Mineral Resource for Western Flanks is effective as of June 26, 2019 and the A Zone Resource is effective as of August 9, 2019. Since July 1, 2019, SLM has mined a total of 280kt grading 3.5g/t Au (31,500 contained ozs) from the Beta Hunt mine to December 31, 2019. This material has been sourced from areas making up the resource (depletion) and also from areas outside the resource. The Mineral Reserve presented in Table 8 below has been depleted for all mining that has occurred since the effective dates of the Mineral Resource to November 1, 2019.

- *Nickel*

The current Beta Hunt nickel Mineral Resource estimate for the Beta Hunt Mine is presented below:

Table 7: the Beta Hunt Mine Nickel Mineral Resources as at February 1, 2016

Nickel	Classification	Inventory (kt)	Grade (Ni %)	Contained Metal Nickel Tonnes (NiTs)
>=1% Ni	Measured	96	4.6	4,460
	Indicated	283	4.0	11,380
	Total	**379**	**4.2**	**15,840**
	Inferred	216	3.4	7,400

Notes**:**
1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
2. The 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 also 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. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding
3. Nickel Mineral Resources are reported using a 1% Ni cut-off grade
4. Mineral Resources described here are based on information compiled by Elizabeth Haren, MAusIMM CPGeo, of Haren Consulting Pty Ltd. There are ten estimation areas that make up the 2016 the Beta Hunt Mine nickel Mineral Resource: 1820N_1825, 1890, 1920, 1925, 2130, 2320, 2330, 2440-2640, Beta West, and East Alpha.

The nickel Mineral Resource must be viewed in the context that since this estimate was produced (February 1, 2016), SLM has processed a total of 124kt grading 2.6% Ni (3,354 t contained Ni t) from the Beta Hunt mine. This material has been sourced from areas making up the resource (depletion) and also from areas outside the resource.

Mineral Reserve Estimate

The gold Mineral Reserve estimates for the Beta Hunt Mine set out below were calculated by Entech Pty Ltd of Perth, Western Australia, who were employed by RNC Minerals to undertake the Gold Mineral Reserve estimate for Beta Hunt. The Gold Mineral Reserve estimates have been prepared using accepted industry practice and classified in accordance with the JORC Code, 2012 Edition by Ross Moger, under the supervision of Shane McLeay, FAusIMM. Both are employees of Entech Pty. Ltd. Shane McLeay, FAusIMM of Entech accepts responsibility as Qualified Person for the Mineral Reserve estimates.

Since July 2019, the Beta Hunt Mine has been operated on an integrated basis with HGO and 100% of the Beta Hunt feed has been processed at HGO. The Mineral Reserve estimate calculations are based on actual costs, production rates and metallurgical factors achieved at these operations.

- ***Mineral Reserve Estimation Process***

The Beta Hunt Mine is an operating underground gold mine allowing current design criteria, mining methods, and actual costs to form the basis for mine design, scheduling, and economic evaluation used in this estimation process. As an operating mine, costs, mining methods, metallurgical factors are well understood, providing confidence in their application as part of the Mineral Reserve estimation. All major infrastructure and permitting is also in place. The economics of the Mineral Reserve estimate could be materially affected by a significant change to commodity price.

A process has been followed to convert the Mineral Resources to Mineral Reserves which is underpinned by design, schedule, and economic evaluation completed by Entech and overseen by SLM. Entech's general conversion process is described in the following points.

- The two Mineral Resource models were provided by SLM to Entech; one for the Western Flanks mining area, and one for the A Zone mining area.
- Stope optimizations were run on these two Mineral Resource models, using Datamine Software's Mineable Shape Optimiser® ("**MSO**") at, the calculated 2.0 g/t cut-off grade. The resulting stope shapes were reviewed for practicality of mining, with unpractical mining shapes removed.
- Modifying factors were applied to these stope shapes including dilution and recovery factors based on SLM's current dilution and recovery performance.
- A development design was produced to align with the resulting stope shapes that tied into the existing underground as-builts. The development design follows current site design criteria and a development ore dilution factor of 5% and recovery factor of 100% has been applied.
- Stope shapes were depleted with development drives.
- The mine design was then depleted with current site as-builts provided by SLM.
- All stope and development designs (the mine design) were evaluated with Mineral Resource models and any Inferred material within the mine design was sent to waste grade (0 g/t).
- Levels were evaluated using the cost and revenue assumptions applied in the cut-off grade estimation and sub-economic levels were removed from the Mineral Reserve.
- The mine design was scheduled in Deswik to produce a mine plan, using current site productivity rates and following the appropriate mining sequence.
- The resulting mining schedule was evaluated in SLM's financial model based on current operation costs to ensure economic viability.

The resulting Mineral Reserve estimate as at November 1, 2019 is shown in Table 8.

Table 8: Summary of Mineral Reserves – November 1, 2019[(1)(2)(3)(4)]

	Proven			**Probable**			**Total**		
	Tonnes kt	**Grade g/t**	**Ounces koz**	**Tonnes kt**	**Grade g/t**	**Ounces koz**	**Tonnes kt**	**Grade g/t**	**Ounces koz**
Western Flanks	170	2.7	15	2,900	2.9	260	3,070	2.9	275

A Zone	81	2.9	7.6	300	2.4	23	381	2.5	31
Total	251	2.8	23	3,200	2.8	283	3,450	2.8	306

Notes:

1. The Mineral Reserve is reported at a 2.0g/t cut-off grade
2. Key assumptions used in the economic evaluation include:
   (i) a metal price of US$1,400 per oz gold and an exchange rate of 0.69 US$:A$
   (ii) Metallurgical recovery of 94%
   (iii) Operating Mining Costs, processing and G&A costs of A$111.71/t (A$, excluding capital)
3. The Mineral Reserve is depleted for all mining to November 1, 2019.
4. The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number is rounded individually, the table may show apparent inconsistencies between the sum of rounded components and the corresponding rounded total.

- ***Stope Design Parameter***

The following stope design parameters were applied within the mine design:

- Minimum footwall dip angles were set at 40°;
- Minimum mining widths (excluding dilution) of 5.0 m and 2.5 m in the Western Flanks and A Zone respectively;
- Dilution of 0.25 m on the footwall and hanging wall of each stope shape (total of 0.5 m of dilution) applied as part of the stope optimization process. The dilution is evaluated with the Mineral Resource model; and therefore, dilution carries the evaluated grade from the Mineral Resource model; and
- Sill pillars have been included in the mine design as per SLM geotechnical recommendations. An additional mining recovery factor of 85% has been applied to account for rib pillar requirements, and bogging recovery losses as per SLM's currently applied geotechnical parameters.

- ***Cut-off Grade Derivation***

Cut-off grades are based on revenue inputs and current site actual costs as stated in Table 9.

Table 9: Cut-off Grade Inputs

Factor Gold Price	**Unit $US / oz**	**Assumption 1,400**	**Source SLM Forecast**
State Royalty	%	2.5	Site Actuals
Royalty	%	7.5	Site Actuals
Mill Recovery	%	93.5	Site Actuals
Milling Cost	$A / t ore	40.44	Site Actuals
Mining Direct Operating Costs	$A / t ore	37.64	Site Actuals
Mining Maintenance Costs	$A / t ore	16.96	Site Actuals
Technical Services	$A / t ore	6.35	Site Actuals

G&A	$A / t ore	10.32	Site Actuals
Sustaining Capex	$A / t ore	18.20	Site Actuals

When completing the initial stope optimization process a 2.0 g/t cut-off grade was applied. After depletion of stope shapes with development and setting of Inferred material to waste grade (0 g/t), levels were evaluated using the cost and revenue assumptions applied in the cut-off grade estimation and sub economic levels were removed from the Mineral Reserve. A 1.7 g/t cut-off grade was applied to incremental stopes on levels that had already covered capital costs. An ore development cut-off grade of 0.8 g/t was applied which covers the processing cost, as mining and haulage of this material is a sunk cost required for access for stopping. The cut-off grades, inputs and calculations are summarized in the following tables.

Table 10: Cut-off Grades

Operating Cut-off Grade (g/t)	Incremental Cut-off Grade (g/t)	Ore Development Cut-off Grade (g/t)
2.0	1.7	0.8

Table 11: Cut-off Grade Inputs

Assumptions	Unit	Value
Gold Price Calculation		
Gold Price	$US / oz	1,400
Exchange Rate	$US : $A	0.69
Metallurgical Recovery (Au)	%	93.5
Total Royalty	%	10.0
Total Revenue per Ounce of Gold	$A / oz	1,707
Total Revenue per Gram of Gold	$A / g	54.89

Table 12: Cut-off Grade Calculation

Operating Costs	Unit	Operating Costs	Incremental Stoping Costs	Development Cut-off Grade	Mining Costs Including Capital
Mining Costs					
Direct Operating Costs	*$A / t ore*	*37.64*	*37.64*		*37.64*

Maintenance Costs	*$A / t ore*	*16.96*	*16.96*		*16.96*
Technical Services Cost	*$A / t ore*	*6.35*			*6.35*
G&A Cost	*$A / t ore*	*10.32*			*10.32*
Sustaining Capital Costs	*$A / t ore*				*18.20*
Total Mine Operating Cost	$A / t ore	71.27	54.60	0.00	89.47
Processing and Surface Haulage	$A / t ore	40.44	40.44	40.44	40.44
Total Operating Cost	**$A / t ore**	**111.71**	**95.04**	**40.44**	**129.91**
Economic Stope cut-off grade	g / t	2.0			
Incremental Stope cut-off grade	g / t		1.7		
Incremental Development cut-off grade	g / t			0.8	
Fully Costed cut-off grade	g / t				2.3

Mining Operations

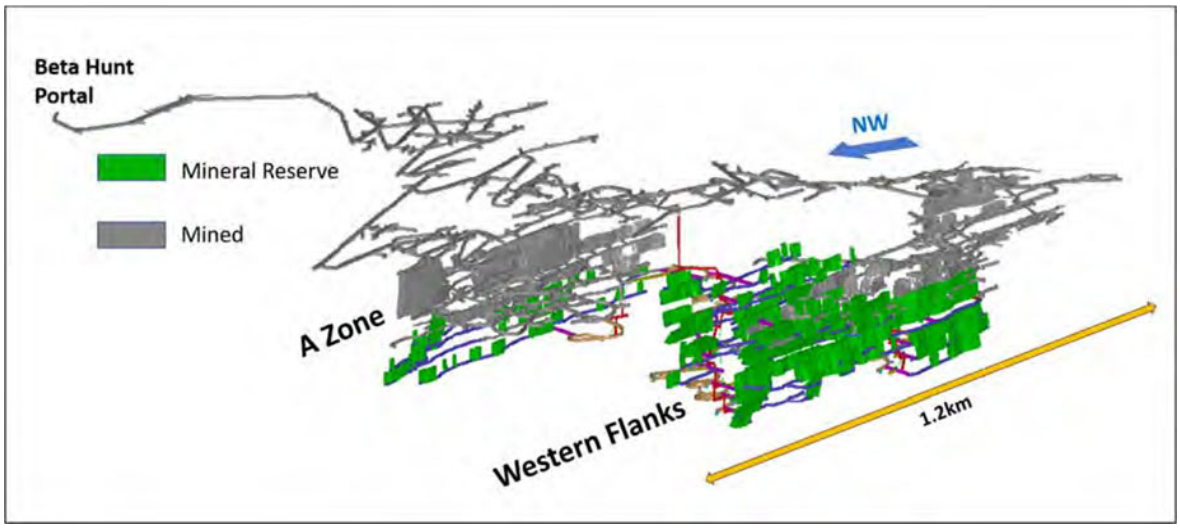
The Beta Hunt Mine is a mechanized underground mine accessed from a single decline. The mine commenced operation in 1974, mining both nickel and gold over extended periods. From 2008 to 2014, the mine was on care and maintenance with gold mining commencing in 2015. Currently, the mine is producing at a rate of approximately 45,000 tonnes per month. Gold mine production is processed at HGO located 78 km by road to the south.

The mine is accessed via an established portal and declines. Pumping, ventilation, power and mine service infrastructure is established and in use for current mining operations.

Underground gold mining takes place in two mining areas, the Western Flanks and the A Zone. The strike of the orebody is approximately 1,500 m, with stoping occurring over a total vertical extent of approximately 360 m. Western Flanks and A Zone employ a top down, longhole retreat mechanized mining method which suits subvertical nature of the orebody.

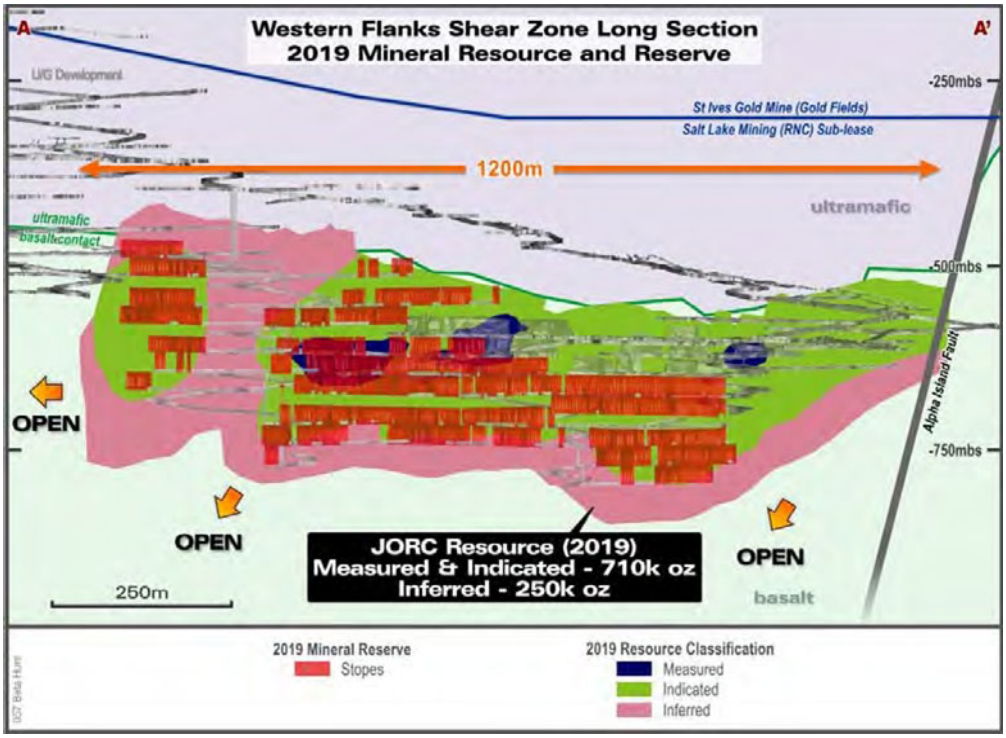
In situ rib and sill pillars are left at geotechnically specified positions, with sill pillars typically at 75 m vertical intervals. An isometric view of the southern end of the mine covering the gold Mineral Reserves is shown in Figure 4.

Figure 4: the Beta Hunt Mine Underground Plan



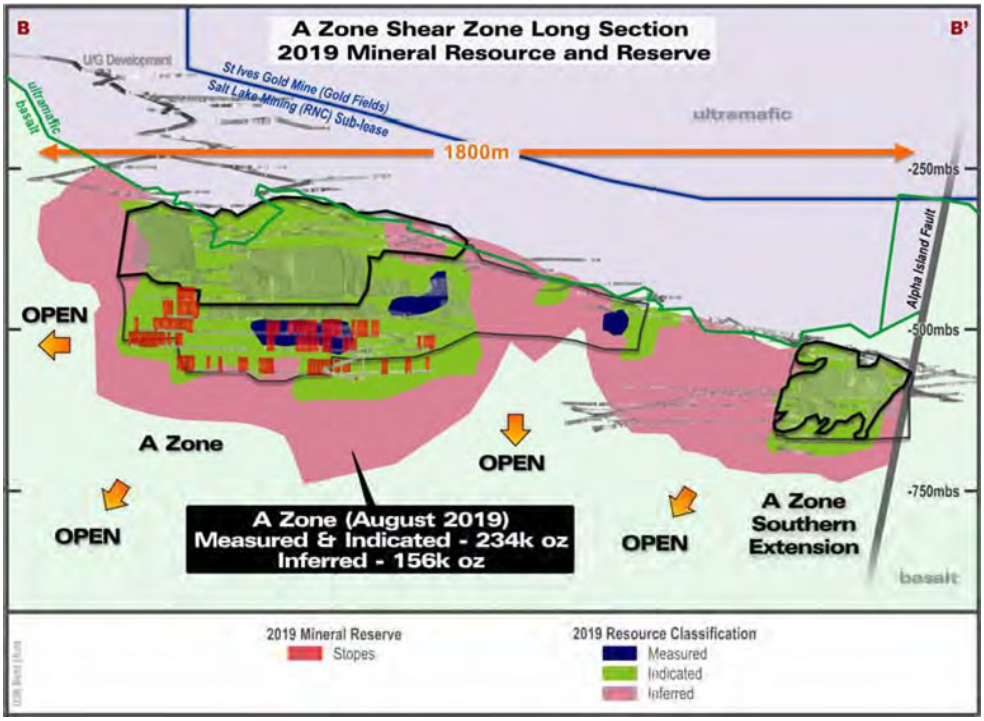
The Western Flanks mining area is shown in Figure 5.

Figure 5: Western Flanks Mine Area



The A Zone mining area is shown in Figure 6.

Figure 6: A Zone Mine Area



- ***Underground Infrastructure***

The mine is accessed by portals and a series of declines throughout the mine. The declines are typically 5.5 m width (W) x 5.8 m height (H), with a standard ore drive size of 4.5 mW x 5.0 mH. Lateral development profiles are well matched to the mobile fleet. Ore is hauled from the underground to surface via the decline where it is then transported via a separate surface haulage fleet to the processing facility.

As an established mine, key infrastructure such as underground communications, electrical reticulation, pumping, and ventilation are already set up. Most of the primary development is interconnected for ventilation and ease of access.

There is a radio communications system throughout the mine. Electrical power is available via mains power to site and is distributed throughout the mine at 11 kV. The 11 kV power is transformed to 1 kV for use as required for the mine equipment. The primary pumping system is established at the Beta Hunt Mine and services the relatively dry mine workings. A secondary network of pumps then removes water from work areas back to the primary pumping system to be removed to surface.

The ventilation network currently supplies 250 m3/sec of fresh air to the underground, with capacity to increase to 290 m3/sec. The primary ventilation system is comprised of a combination of a decline intake and underground exhaust fans via an exhaust raisebore to surface. Auxiliary fans then provide secondary ventilation to active work areas.

Equipment is maintained and serviced at a surface workshop.

- ***Mining Methods***

Beta Hunt Mine uses top down, mechanised long hole retreat stoping is the mining method. Current stope design dimensions are typically 25 m high, vary in width from 2.5 to 25 m and 50 m on strike. In situ rib and sill pillars are

left at geotechnically specified positions, with sill pillars typically left at 75 m vertical intervals. Backfilling of stopes is not currently employed in the mine plan.

The typical stope ore cycle post ore drive development is as follows. First, blast holes are drilled using a longhole drilling rig. Then, those blast holes are charged and fired. Following that, bogging (mucking) of ore occurs from the stope using conventional and tele-remote loading techniques. The trucks are loaded with the LHD and haul ore to surface via the portal. The surface trucks then haul ore to the processing facility.

Generally, the ground conditions at the Beta Hunt Mine are good with the gold mineralization located within the Lunnon basalt unit. The site has an extensive history of mining performance and has developed guidelines to respond local conditions. A ground control management plan is in place on site and is used in mine planning, mine development, and production. Lateral development drives are excavated using mechanised twin boom jumbos, with vertical development excavated using production drill rig.

Processing and Recovery Methods

Historically, the Beta Hunt Mine has been toll milled through various third party owned mills in the Kambalda region. Metallurgical performance and processed methods varied slightly between the mills. In June 2019, RNC purchased the HGO, which includes a 1.3Mtpa gold mill, associated infrastructure and tailings storage facility that was built in 2007-2008. Since the purchase, all the Beta Hunt Mine gold mineralization is processed through the HGO mill.

- ***Nickel Milling***

Nickel mineralization is purchased and processed by BHP at either the Kambalda Nickel Mill or the Leinster Mill, both which are conventional flotation style nickel concentrators. There is limited risk associated with the ongoing processing of nickel mineralization as BHP has successfully processed mineralization from the Beta Hunt Mine for many years, and, in 2018, BHP realised the option to extend the term of the OTCPA to 31st January 2023. Under this Agreement, BHP has the right to process mineralization from the Beta Hunt Mine till 2023.

Mineralization is blended with mill feed from other mines and the recovery credited to the Beta Hunt Mine is based on the grade of feed. Concentrate produced from the Beta Hunt Mine mineralization was treated and refined by BHP at the Kalgoorlie Nickel Smelter to June 2018, and more recently (June 2019) at the Leinster Mill. An amendment to the OTCPA, is required for future production from the Beta Hunt Mine as long as the nickel mineralization cannot be processed at the KNC – currently on care and maintenance. KNC is the defined delivery point under the OTCPA. The most recent amendment provided processing of nickel mineralization at the Leinster Mill. This amendment expired on June 30, 2019.

Infrastructure, Permitting and Compliance Activities

The Beta Hunt Mine is an operating mine with all required infrastructure already in place. The main elements of this infrastructure include:

- Normal infrastructure associated with a ramp access underground mine, including the portal, a decline ramp measuring 5.0 m x 5.5 m, the trackless mining fleet and refuge stations.
- A surface workshop is available for major maintenance and weekly services for the mobile equipment fleet.
- An underground workshop used for minor maintenance of the mobile fleet. This is located in the footwall side of the main decline in the East Alpha section.
- A ventilation system that uses the decline and two smaller raises as intakes, with a single RAP measuring 4.2m in diameter. The system has a capacity to supply 300 m3/s, compared to the current airflow of 216 m3/s.

- A dewatering system which includes six stage pumps that discharge, via a 100 mm line, into Lake Lefroy.

- The management and administration offices, which are portable buildings that will be easy to de-commission at closure.

Utilities provided to the mine include:

- Electricity that is supplied by SIGMC at a cost of A$0.23/kWh;

- Service water that is sourced from ground water stored in what is effectively an aquifer created by the mined out Silver Lake deposit. Storage tanks have been added to provide surge capacity; and

- Potable water that is supplied by SIGMC and BHP.

Environmental

the Beta Hunt Mine is an operating mine and in possession of all required permits. SLM operates the Beta Hunt Mine through a sub-lease, most environmental permitting and compliance requirements for mining operations on the project tenements are the responsibility of the primary tenement holder, SIGMC. The project is a small operation with a limited disturbance footprint and the environmental impacts of the project are correspondingly modest.

The project is a small operation with a limited disturbance footprint and the environmental impacts of the project are correspondingly modest. Key environmental aspects requiring management effort are:

- Water management, and

- Mine rehabilitation and closure.

SLM has disclosed that there are no other outstanding significant environmental issues.

- *Water Management*

Mine dewatering at the Beta Hunt Mine is generally required to be undertaken in accordance with the Licence to Take Water (GWL 62505) and the conditions attached to that licence. SIGMC is the licence holder and accordingly has primary responsibility for ensuring compliance with the licence.

Discharge of mine water, however, is regulated under DER licence L8893/2015/1, held by SLM. SLM is required to lodge annual compliance in relation to its water discharge licence and periodic scrutiny by the DER should be expected. The water quality monitoring results presented in the 2012 - 2013 environmental compliance report showed relatively high concentrations of nickel in water being discharged to Lake Lefroy, as well as trace amounts of hydrocarbon and slight turbidity, but were otherwise unremarkable. The discharge water was hypersaline (as expected). The licence approved by DER specifies no limits for the other parameters to be monitored.

- *Mine Rehabilitation and Closure*

Under the *Mining Act* 1978, responsibility for mine rehabilitation and closure generally lies with the tenement holder (SIGMC, in this case). The Beta Hunt Mine project management plan explains that accountability for rehabilitation of the Beta Hunt Mine tenements will be allocated as follows:

- SLM will be responsible for disturbance arising from September 9, 2003 to the completion of its operations.

- SIGMC will be responsible for disturbance prior to September 9, 2003 or after the cessation of SLM's operations and mine rehabilitation / closure activities.

SLM does not contemplate any significant clearing of vegetation or new surface disturbance so rehabilitation and closure costs are limited.

SLM notes that it does not propose to undertake any work on the existing mullock dump unless it disturbs the dump through removal of material. It is SLM's expectation that the rehabilitation that will be required to implement will be generally limited to closure and rehabilitation of access tracks, routine clean-up of rubbish and waste materials, removal of buildings, pavements and above ground infrastructure, and sealing of exploration boreholes and mine openings.

- *Mining Rehabilitation Fund*

The MRF is a State Government levy, the responsibility of the DMP, which provides a pooled fund, based on the environmental disturbance existing on a tenement at the annual reporting date. Levies paid into the MRF will be used for rehabilitation where the operator fails to meet rehabilitation obligations and every other effort has been used to recover funds from the operator. Liability to pay the MRF Levy became compulsory from July 1, 2014. This means that tenement holders now need to report for the MRF each year prior to the close of the levy period, which is on 30 June each year (prescribed day).

The MRF Liabilities are based on negotiated set of standard rates for the purposes of setting the levy. The amount of levy payable is assessed as the Rehabilitation Liability Estimate (if over $50,000) multiplied by the Fund Contribution Rate which is set at 1%.

With respect to the Beta Hunt Mine sub-lease, the MRF levy is paid by SIGMC as registered owners of the leases to which SLM contributes an agreed to amount based on its rehabilitation commitments as defined in the Beta Hunt Mine Sub-Lease Agreement. For 2015, SLM's contribution is on the order of AUD$10,000 annually.

It should be noted that levies paid into the MRF required under the *Mining Rehabilitation Fund Act 2012* and *the Mining Rehabilitation Fund Regulations 2013* are non-refundable and separate from the internal accounting provisions for closure and rehabilitation and should not be used to offset the costs for rehabilitation.

- ***Social and Community***

The nearest town to the Beta Hunt Mine is Kambalda, with a population of 2,539 (2016 Census). The closest houses are approximately 2 km from the portal. As the active underground workings are a further 1 - 4 km down the decline and the scale of operation is small, noise and vibration do not affect the residents. The mine workings are underground and waste rock is generally used to backfill mined out voids so there is no active surface waste dump. There is also no concentrator or tailings storage facility. As a result, dust generation is not an issue. There are no registered heritage sites within the project area or nearby.

Capital and Operating Costs

Capital and operating costs for the Beta Hunt Mine have been estimated using a zero-based model. The design criteria, unit costs and other assumptions used in this model are based on current actual performance at the Beta Hunt Mine.

- ***Capital Costs***

As an operating mine, major infrastructure capital is already in place at the Beta Hunt Mine. The operation plans to primarily incur sustaining capital costs, as the planned production rates are achieved with the infrastructure networks that are already in place.

The sustaining capital expenditure is allocated for on-going capital development, mining equipment costs (replacements, rebuilds and major overhauls), and other underground infrastructure refurbishment. Sustaining capital requirements also include extensions to the ventilation, pumping, and electrical networks that follow capital decline development as the mine goes deeper. This is in addition to sustaining costs associated with ongoing

processing plant infrastructure maintenance as required which are included in operating cost details. The sustaining capital costs per annum are detailed in Table 16.

Table 16: Sustaining Capital Costs Per Annum

Capital Cost Type	Units	Total	2019	2020	2021	2022	2023	2024	2025	2026
Plant and Equipment	$A M	38.7	1.7	7.1	6.0	5.9	5.9	5.9	5.9	0.5
Capital Development	$A M	23.7	2.0	8.4	9.1	3.8	0.5	0.0	0.0	0.0
Total Mining Capital	$A M	62.5	3.7	15.4	15.1	9.7	6.3	5.9	5.9	0.5

- ***Operating Costs***

As an established operation, the Beta Hunt Mine has a good understanding of its costs and has a functioning cost management system. Operating cost inputs are based on site actual costs in addition to recent supplier quotes. The mining operating costs are split into direct operating costs, maintenance costs, technical services costs and general and administrative ("**G & A**") costs. Direct operating costs include mining operator labour and consumable costs. Maintenance costs include maintenance labour and maintenance consumables. Technical services costs include engineering, geology and geotechnical labour and consumables. G & A costs include administration labour and consumables in addition to safety department labour and consumables. The operating costs are detailed in Table 17.

Table 17: Site Operating Costs

Operating Costs	Unit	Operating Costs
Mining Costs:		
Direct Operating Costs	$A / t ore	37.64
Maintenance Costs	$A / t ore	16.96
Technical Services Costs	$A / t ore	6.35
G&A Costs	$ A / t ore	10.32
Total Mining Operating Cost	**$ A / t ore**	**71.27**
Processing and Surface Haulage2	**$ A / t ore**	**40.44**
TOTAL OPERATING COST	**$A / t ore**	**111.71**

The operating costs per annum are detailed in Table 18.

Table 18: Operating Costs per Annum

Type	Units	Total	2019	2020	2021	2022	2023	2024	2025	2026
Mining	$A M	214.8	6.7	39.0	39.1	40.5	41.5	32.4	14.5	1.0
Processing	$A M	138.8	4.7	28.0	28.1	26.6	26.3	15.8	8.8	0.7
General and Administrative	$A M	29.8	0.7	4.8	4.7	5.3	5.8	5.4	2.9	0.2
Total	$A M	383.4	12.1	71.8	71.9	72.4	73.5	53.6	26.3	1.9

- ***Closure***

As discussed in Appendix A under the heading "*Beta Hunt Mine – Environmental - Mining Rehabilitation Fund*" previously, according to terms of the sub-lease with SIGMC, SLM is responsible for satisfying all rehabilitation obligations arising since inception of the lease in September 2003.

An independent audit and mine closure estimate prepared in 2018 by consultant MBS Environmental estimated the current rehabilitation liability accruing to SLM for the Beta Hunt Mine Sub-Lease at A$881k, as detailed in Table 19.

Table 19: Estimated Closure Costs – February 2018

Category	Cost
Infrastructure Item Tasks	$586,281
Rehabilitation Area Tasks	$125,531
Rehabilitation Volume Tasks	$100,076
Management and Monitoring	$68,631
Total	$880,519

Exploration, Development and Production

At the Beta Hunt Mine, the author recommends that SLM use the recently defined Gold Mineral Reserve as the basis for providing medium to long term security for the on-going development of the Beta Hunt Mine.

Specific recommendations for the Beta Hunt Mine include:

- Using the security of the Gold Mineral Reserve to develop medium to long-term improvements in operational performance and costs, and also to provide leverage for capital investment if required.
- A review of the historical undeveloped nickel Mineral Resources and nickel exploration targets with the aim of defining Mineral Resources that could be converted to Mineral Reserves.
- Continue to evaluate and test with drilling the gold exploration potential at the Beta Hunt Mine.

A key feature of the Beta Hunt Mine is the separate but adjacent nickel and gold deposits and associated ability to modulate production in response to market conditions. Accordingly, and given current market turbulence, short-term plans should include sufficient flexibility to allow prioritization of whichever metal that allows free cash flow to be maximized at the time.

B. HIGGINSVILLE GOLD OPERATION

Overview

Unless otherwise indicated, information in this section is summarized or extracted the Beta Hunt Mine Technical Report. The authors of the Beta Hunt Mine Technical Report are Stephen Devlin, FAusIMM, and Shane McLeay, FAusIMM. Stephen Devlin is an employee of SLM, a wholly-owned subsidiary of RNC, and a "Qualified Person" as defined in NI 43-101. Shane McLeay is "independent" of RNC and a "Qualified Person", as defined in 43-101. The Beta Hunt Mine Technical Report was filed on February 6, 2020 under the Company's profile on SEDAR at www.sedar.com. All amounts in this section of Appendix A are presented in Australian Dollars unless otherwise noted.

Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full the Beta Hunt Mine Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Beta Hunt Mine Technical Report which is available for review under the Company's profile on SEDAR located at www.sedar.com.

Project Description, Location and Access

HGO is located 57 km south of the Beta Hunt Mine and 107 km south of the regional mining centre of Kalgoorlie. The operation consists of a 1.3Mtpa gold processing facility, three inactive underground mines and 20 open pits, and one open pit (Baloo) which is active. The processing facility is accessed through the Goldfields Highway, which is 1.2 km to the southwest.

The project lies adjacent to a major highway connecting the Goldfields towns of Coolgardie and Norseman. Higginsville occurs in the Coolgardie Mineral Field in the Shire of Coolgardie, approximately 55 km north of the town of Norseman and 30 km south of Kambalda

Access to the Higginsville mill and offices is through a constructed all-weather access road (0.8 metres) from the Goldfields highway. Station tracks and fence lines provide access to most of the Project away from the Mill and site infrastructure. Most areas are accessible by vehicle except following rare periods of heavy storms when flooding may occur.

HGO comprises 192 tenements covering approximately 1,800 square km owned or partly owned by the Company through the HGO subsidiaries Avoca Resources Pty Ltd ("**ARS**"), Polar Metals Pty Ltd ("**PMT**") and Avoca Mining Pty Ltd ("**AMG**"). There is an expenditure commitment for each tenement as well as rent payable to the Department of Mines and Petroleum at local rates. The tenements are currently in good standing, however a number of these tenements have not met annual expenditure commitments. In order to retain these leases, the Company will be required to lodge expenditure exemption applications and have them approved by the Department of Mines, Industry Regulation and Safety ("**DMIRS**"). If the exemptions are refused, the Company will request that the DMIRS impose a penalty in lieu of forfeiture. If a penalty is imposed, once paid the tenements will retain the good standing. A review of the former owners recent dealings with the DMIRS under these circumstances shows this to be the process that has been followed. The Baloo deposit is situated within Lake Cowan and is approximately one km from the nearest shore line. The mineralization is covered with lake alluvium with inconsistent stability characteristics. Access to the deposit will need to be established which has sufficient strength to provide a stable haul road for the mining activities.

The Company is responsible for satisfying all rehabilitation obligations arising after the purchase of HGO. In the first quarter of 2019, HGO undertook an audit to satisfy concerns on the assessed value of mine closure remediation costs. The revised remediation costs after the audit is estimated at $25.1 million and was accepted by the DMIRS.

The material mineral tenements are summarized in Table 1.

Table 1: HGO Mineral Tenure Information

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
E15/1037	Live	Avoca Resources Pty Ltd	9800	$19,845	$105,000	30-Sep-08	29-Sep-20	
E15/1094	Live	Avoca Resources Pty Ltd	2240	$4,536	$70,000	13-Aug-09	29-Sep-20	
E15/1117	Live	Avoca Resources Pty Ltd	1120	$2,268	$50,000	13-Aug-09	29-Sep-20	
E15/1197	Live	Avoca Resources Pty Ltd	2800	$5,670	$70,000	7-Feb-11	6-Feb-21	
E15/1199	Live	Avoca Resources Pty Ltd	560	$1,134	$50,000	10-Nov-10	9-Nov-20	
E15/1203	Live	Avoca Resources Pty Ltd	5320	$10,773	$70,000	17-Dec-10	16-Dec-20	
E15/1223	Live	Avoca Resources Pty Ltd	4480	$9,072	$70,000	8-Sep-11	7-Sep-21	
E15/1260	Live	Avoca Resources Pty Ltd	280	$341	$20,000	12-Oct-11	11-Oct-21	
E15/1298	Live	Polar Metals Pty Ltd	840	$1,701	$30,000	31-Jul-12	30-Jul-22	
E15/1402	Live	Avoca Mining Pty Ltd	280	$341	$10,000	8-Apr-14	7-Apr-19	
E15/1448	Live	Avoca Resources Pty Ltd	280	$341	$10,000	6-May-15	5-May-20	
E15/1458	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	7280	$5,720	$39,000	24-Aug-15	23-Aug-20	
E15/1459	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	560	$440	$20,000	25-Aug-15	24-Aug-20	
E15/1461	Live	Polar Metals Pty Ltd	1960	$1,540	$30,000	16-Oct-15	15-Oct-20	
E15/1462	Live	Avoca Resources Pty Ltd	280	$341	$10,000	22-Sep-15	21-Sep-20	
E15/1464	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	280	$341	$10,000	6-Oct-15	5-Oct-20	
E15/1487	Live	Polar Metals Pty Ltd	5040	$3,960	$20,000	1-Jul-16	30-Jun-21	This tenement is subject to the Polar & Barrick Royalty.
E15/1512	Live	Avoca Mining Pty Ltd	280	$0	$10,000	19-Mar-18	18-Mar-23	
E15/1533	Live	Avoca Resources Pty Ltd	1400	$680	$15,000	11-Oct-17	10-Oct-22	
E15/1541	Live	Polar Metals Pty Ltd	1680	$816	$20,000	11-Oct-17	10-Oct-22	
E15/1586	Live	Avoca Mining Pty Ltd	560	$272	$15,000	6-Oct-17	5-Oct-22	
E15/1613	Pending	Avoca Mining Pty Ltd	280					
E15/1628	Live	Avoca Mining Pty Ltd	10080	$4,896	$36,000	26-Nov-18	25-Nov-23	
E15/786	Live	Avoca Resources Pty Ltd	3920	$7,938	$70,000	28-Oct-05	27-Oct-19	
E15/808	Live	Avoca Resources Pty Ltd	2520	$5,103	$70,000	5-Jul-06	4-Jul-19	
E15/810	Live	Avoca Resources Pty Ltd	9520	$19,278	$102,000	4-Aug-04	3-Aug-19	
E15/828	Live	Avoca Mining Pty Ltd	5600	$11,340	$70,000	17-Nov-04	16-Nov-19	This tenement is subject to the Morgan Stanley Royalty.
E63/1051	Live	Avoca Resources	1120	$2,268	$50,000	3-Jul-07	2-Jul-19	

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
		Pty Ltd						
E63/1117	Live	Avoca Resources Pty Ltd (93.33%) Stehn, Trent Paterson (6.67%)	1400	$2,835	$50,000	7-Oct-08	6-Oct-20	
E63/1142	Live	Polar Metals Pty Ltd	5600	$11,340	$70,000	13-Feb-09	12-Feb-21	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
E63/1165	Live	Avoca Resources Pty Ltd	1400	$2,835	$50,000	15-Apr-08	14-Apr-20	
E63/1712	Live	Polar Metals Pty Ltd	5880	$4,620	$31,500	25-May-15	24-May-20	
E63/1724	Live	Avoca Resources Pty Ltd	280	$341	$10,000	1-Sep-15	31-Aug-20	
E63/1725	Live	Polar Metals Pty Ltd	2240	$1,760	$30,000	26-Oct-15	25-Oct-20	
E63/1726	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	2520	$1,980	$30,000	1-Sep-15	31-Aug-20	
E63/1727	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	280	$341	$10,000	1-Sep-15	31-Aug-20	
E63/1728	Live	Polar Metals Pty Ltd	19600	$15,400	$105,000	6-Jan-16	5-Jan-21	
E63/1738	Live	Polar Metals Pty Ltd (80%) Shumwari Pty Ltd (20%)	560	$440	$20,000	19-Oct-15	18-Oct-20	
E63/1756	Live	Polar Metals Pty Ltd	1120	$880	$20,000	9-Feb-16	8-Feb-21	
E63/1757	Live	Polar Metals Pty Ltd	560	$440	$20,000	9-Feb-16	8-Feb-21	
E63/1763	Live	Avoca Mining Pty Ltd	3360	$1,632	$20,000	8-May-17	7-May-22	
E63/1876	Live	Avoca Mining Pty Ltd	1960	$952	$20,000	2-Jul-18	1-Jul-23	
E63/1881	Live	Avoca Mining Pty Ltd	2520	$1,224	$20,000	1-Jun-18	31-May-23	
E63/1900	Pending	Avoca Mining Pty Ltd	1680					
E63/1901	Pending	Avoca Mining Pty Ltd	560					
E63/856	Live	Avoca Resources Pty Ltd	6440	$13,041	$70,000	6-Sep-04	5-Sep-19	
G15/19	Live	Avoca Mining Pty Ltd	66	$1,089		3-Oct-07	2-Oct-28	
G15/23	Live	Avoca Mining Pty Ltd	3	$66		2-Jun-15	1-Jun-36	
G15/26	Live	Avoca Mining Pty Ltd	94	$1,551		9-Nov-16	8-Nov-37	
G15/27	Live	Avoca Mining Pty Ltd	149	$2,458.50		9-Nov-16	8-Nov-37	
G15/29	Live	Avoca Mining Pty Ltd	6	$99		27-Jan-17	26-Jan-38	
G63/6	Live	Avoca Mining Pty Ltd	281	$4,636.50		28-Aug-15	27-Aug-36	The tenement is subject to the 2018 Ngadju Royalty.
G63/7	Live	Avoca Mining Pty Ltd	183	$3,036		27-Apr-16	26-Apr-37	The tenement is subject to the 2018

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
								Ngadju Royalty.
L15/2331.	Live	Avoca Mining Pty Ltd	89	$1,468.50		16-Sep-02	15-Sep-23	
L15/244	Live	Avoca Mining Pty Ltd	5	$82.50		14-Apr-03	13-Apr-24	
L15/259	Live	Avoca Mining Pty Ltd	28	$462		2-Jun-06	1-Jun-27	
L15/261	Live	Avoca Mining Pty Ltd	3	$49.50		2-Jun-06	1-Jun-27	
L15/272	Live	Avoca Mining Pty Ltd	12	$198		9-Aug-06	8-Aug-27	
L15/282	Live	Avoca Mining Pty Ltd	73	$0		13-Mar-08	12-Mar-29	
L15/288	Live	Avoca Mining Pty Ltd	35	$577.50		27-Nov-08	26-Nov-29	
L15/298	Live	Avoca Mining Pty Ltd	51	$858		24-Jun-09	23-Jun-30	
L15/302	Live	Avoca Mining Pty Ltd	8	$148.50		17-Dec-10	16-Dec-31	
L15/308	Live	Avoca Mining Pty Ltd	44	$742.50		17-Dec-10	16-Dec-31	
L15/322	Live	Avoca Mining Pty Ltd	26	$429		6-Oct-11	5-Oct-32	
L15/346	Live	Avoca Mining Pty Ltd	33	$561		13-May-14	12-May-35	
L15/347	Live	Avoca Mining Pty Ltd	12	$198		25-Jul-14	24-Jul-35	
L15/381	Live	Avoca Mining Pty Ltd	24	$396		25-Oct-18	24-Oct-39	
L15/382	Live	Avoca Mining Pty Ltd	15	$247.50		27-Sep-18	26-Sep-39	
L15/386	Live	Avoca Mining Pty Ltd	275	$4,537.50		29-Aug-18	28-Aug-39	The tenement is subject to the 2018 Ngadju Royalty.
L15/389	Live	Avoca Mining Pty Ltd	12	$198		8-Feb-19	7-Feb-40	
L63/58	Live	Avoca Mining Pty Ltd	32	$528		19-Jul-07	18-Jul-28	The tenement is subject to the 2018 Ngadju Royalty.
L63/64	Live	Avoca Mining Pty Ltd	7	$115.50		29-Apr-10	28-Apr-31	The tenement is subject to the 2018 Ngadju Royalty.
L63/72	Live	Avoca Mining Pty Ltd	3	$49.50		7-Oct-15	6-Oct-36	The tenement is subject to the 2018 Ngadju Royalty.
L63/73	Live	Avoca Resources Pty Ltd	38	$643.50		1-Sep-15	31-Aug-36	
L15/368	Pending	Avoca Mining Pty Ltd	115					
L15/377	Pending	Avoca Mining Pty Ltd	8					The tenement is subject to the 2018 Ngadju Royalty.
L63/76	Pending	Avoca Mining Pty Ltd	64					
L63/82	Pending	Avoca Mining Pty Ltd	251					
M15/1132	Live	Avoca Mining Pty Ltd	919	$17,204	$92,000	2-Oct-02	1-Oct-23	1. The tenement is subject to the Morgan Stanley Royalty. 2.Consent Caveat 451097 relates to the Brocks Creek Royalty payable by AMG. 3.The tenement is subject to the 2002 Ngadju Royalty.

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
M15/11331.	Live	Avoca Mining Pty Ltd	792	$14,829.10	$79,300	2-Oct-02	1-Oct-23	1. This tenement s subject to the 2002 Ngadju Royalty. 2.Consent Caveat 451097 relates to the Brocks Creek Royalty payable by AMG.
M15/11341.	Live	Avoca Mining Pty Ltd	599	$11,220	$60,000	2-Oct-02	1-Oct-23	1. This tenement s subject to the 2002 Ngadju Royalty. 2.Consent Caveat 451097 relates to the Brocks Creek Royalty payable by AMG.
M15/11351.	Live	Avoca Mining Pty Ltd	905	$16,942.20	$90,600	2-Oct-02	1-Oct-23	1. This tenement s subject to the 2002 Ngadju Royalty. 2.Consent Caveat 451097 relates to the Brocks Creek Royalty payable by AMG.
M15/1790	Live	Avoca Mining Pty Ltd	623	$11,650.10	$62,300	8-Jul-13	7-Jul-34	This tenement is subject to the Morgan Stanley Royalty.
M15/1792	Live	Avoca Resources Pty Ltd	1,088	$20,345.60	$108,800	25-Jul-13	24-Jul-34	This tenement is subject to the Morgan Stanley Royalty.
M15/1814	Live	Polar Metals Pty Ltd	1,147	$21,448.90	$114,700	12-Jul-18	11-Jul-39	The tenement is subject to the 2018 Ngadju Royalty.
M15/225	Live	Avoca Mining Pty Ltd	17	$336.60	$10,000	28-Jan-87	27-Jan-29	This tenement is subject to the Morgan Stanley Royalty.
M15/231	Live	Avoca Mining Pty Ltd	19	$374	$10,000	3-Nov-87	2-Nov-29	1. This tenement is subject to the Morgan Stanley Royalty. 2. The tenement is subject to the Trythall Royalty. 3. The tenement is subject to the Gindalbie Royalty.
M15/289	Live	Avoca Mining Pty Ltd	10	$187	$10,000	3-Nov-87	2-Nov-29	This tenement is subject to the Morgan Stanley Royalty.
M15/31	Live	Avoca Mining Pty Ltd	10	$187	$10,000	24-Aug-83	23-Aug-25	This tenement is subject to the Morgan Stanley Royalty.
M15/325	Live	Avoca Mining Pty Ltd	2	$56.10	$5,000	9-Mar-88	8-Mar-30	This tenement is subject to the Morgan Stanley Royalty.
M15/338	Live	Avoca Mining Pty Ltd	129	$0	$13,000	14-Mar-88	13-Mar-30	This tenement is subject to the Morgan Stanley Royalty.
M15/348	Live	Avoca Mining Pty Ltd	495	$9,256.50	$49,500	25-Mar-88	24-Mar-30	This tenement is subject to the Morgan Stanley Royalty.
M15/351	Live	Avoca Mining Pty	343	$6,414.10	$34,300	2-May-88	1-May-30	This tenement is

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
		Ltd						subject to the Morgan Stanley Royalty.
M15/352	Live	Avoca Mining Pty Ltd	23	$448.80	$10,000	2-May-88	1-May-30	This tenement is subject to the Morgan Stanley Royalty.
M15/375	Live	Avoca Mining Pty Ltd	397	$7,442.60	$39,800	22-Apr-88	21-Apr-30	This tenement is subject to the Morgan Stanley Royalty.
M15/506	Live	Avoca Mining Pty Ltd	779	$14,567.30	$77,900	7-May-90	6-May-32	1. This tenement is subject to the Morgan Stanley Royalty. 2.This tenement is subject to the Dry Creek Royalty.
M15/507	Live	Avoca Mining Pty Ltd	347	$6,488.90	$34,700	7-May-90	6-May-32	1. This tenement is subject to the Morgan Stanley Royalty. 2.This tenement is subject to the Dry Creek Royalty.
M15/512	Live	Avoca Mining Pty Ltd (90%) / Paynter, Noel Arthur (10%)	19	$374	$10,000	2-Apr-90	1-Apr-32	This tenement is subject to the Morgan Stanley Royalty.
M15/528	Live	Avoca Mining Pty Ltd	10	$205.70	$10,000	21-Mar-91	20-Mar-33	This tenement is subject to the Morgan Stanley Royalty.
M15/580	Live	Avoca Mining Pty Ltd	962	$17,989.40	$96,200	1-Aug-91	31-Jul-33	1. This tenement is subject to the Morgan Stanley Royalty. 2.This tenement is subject to the Dry Creek Royalty.
M15/581	Live	Avoca Mining Pty Ltd	480	$8,994.70	$48,100	1-Aug-91	31-Jul-33	1. This tenement is subject to the Morgan Stanley Royalty. 2.This tenement is subject to the Dry Creek Royalty.
M15/597	Live	Avoca Mining Pty Ltd	595	$11,145.20	$59,600	6-Jan-92	5-Jan-34	This tenement is subject to the Morgan Stanley Royalty.
M15/610	Live	Avoca Mining Pty Ltd	174	$3,253.80	$17,400	10-Dec-91	9-Dec-33	This tenement is subject to the Morgan Stanley Royalty.
M15/616	Live	Avoca Mining Pty Ltd	667	$12,472.90	$66,700	18-Nov-92	17-Nov-34	1. This tenement is subject to the Morgan Stanley Royalty. 2.This tenement is subject to the Dry Creek Royalty.
M15/620	Live	Avoca Mining Pty Ltd	120	$2,244	$12,000	20-Oct-92	19-Oct-34	This tenement is subject to the Morgan Stanley Royalty.
M15/629	Live	Avoca Mining Pty Ltd	120	$2,262.70	$12,100	20-Oct-92	19-Oct-34	This tenement is subject to the Morgan Stanley Royalty.

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
M15/639	Live	Avoca Mining Pty Ltd	847	$15,838.90	$84,700	25-Jan-93	24-Jan-35	1. This tenement is subject to the Morgan Stanley Royalty. 2. This tenement is subject to the Mitchell Royalty.
M15/640	Live	Avoca Mining Pty Ltd	726	$13,594.90	$72,700	25-Jan-93	24-Jan-35	1. This tenement is subject to the Morgan Stanley Royalty. 2. This tenement is subject to the Mitchell Royalty.
M15/642	Live	Avoca Mining Pty Ltd	934	$17,484.50	$93,500	25-Jan-93	24-Jan-35	1. This tenement is subject to the Morgan Stanley Royalty. 2. This tenement is subject to the Mitchell Royalty.
M15/651	Live	Polar Metals Pty Ltd	137	$2,580.60	$13,800	11-Feb-93	10-Feb-35	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
M15/665	Live	Avoca Mining Pty Ltd	875	$16,381.20	$87,600	14-Oct-93	13-Oct-35	1. This tenement is subject to the Morgan Stanley Royalty. 2. This tenement is subject to the Mitchell Royalty.
M15/680	Live	Avoca Mining Pty Ltd	686	$12,828.20	$68,600	1-Mar-94	28-Feb-36	This tenement is subject to the Morgan Stanley Royalty.
M15/681	Live	Avoca Mining Pty Ltd	943	$17,652.80	$94,400	1-Mar-94	28-Feb-36	This tenement is subject to the Morgan Stanley Royalty.
M15/682	Live	Avoca Mining Pty Ltd	876	$16,399.90	$87,700	30-Mar-94	29-Mar-36	This tenement is subject to the Morgan Stanley Royalty.
M15/683	Live	Avoca Mining Pty Ltd	784	$14,679.50	$78,500	1-Mar-94	28-Feb-36	This tenement is subject to the Morgan Stanley Royalty.
M15/684	Live	Avoca Mining Pty Ltd	799	$14,941.30	$79,900	1-Mar-94	28-Feb-36	This tenement is subject to the Morgan Stanley Royalty.
M15/685	Live	Avoca Mining Pty Ltd	840	$15,708	$84,000	1-Mar-94	28-Feb-36	This tenement is subject to the Morgan Stanley Royalty.
M15/710	Live	Polar Metals Pty Ltd	666	$12,472.90	$66,700	10-Aug-94	9-Aug-36	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
								Nevada Australia Ltd.
M15/748	Live	Avoca Mining Pty Ltd	9	$168.30	$10,000	8-Feb-95	7-Feb-37	This tenement is subject to the Morgan Stanley Royalty.
M15/757	Live	Avoca Mining Pty Ltd	418	$7,816.60	$41,800	3-Mar-95	2-Mar-37	This tenement is subject to the Morgan Stanley Royalty.
M15/758	Live	Avoca Mining Pty Ltd	892	$16,680.40	$89,200	3-Mar-95	2-Mar-37	This tenement is subject to the Morgan Stanley Royalty.
M15/786	Live	Avoca Mining Pty Ltd	954	$17,858.50	$95,500	27-Apr-95	26-Apr-37	This tenement is subject to the Morgan Stanley Royalty.
M15/815	Live	Avoca Mining Pty Ltd	944	$17,652.80	$94,400	8-Jan-97	7-Jan-39	This tenement is subject to the Morgan Stanley Royalty.
M15/817	Live	Avoca Mining Pty Ltd	919	$17,185.30	$91,900	23-Sep-96	22-Sep-38	This tenement is subject to the Morgan Stanley Royalty.
M15/820	Live	Avoca Mining Pty Ltd	968	$18,101.60	$96,800	19-Aug-96	18-Aug-38	This tenement is subject to the Morgan Stanley Royalty.
M63/165	Live	Avoca Mining Pty Ltd	202	$3,777.40	$20,200	16-Feb-88	15-Feb-30	The tenement is subject to the 2018 Ngadju Royalty.
M63/230	Live	Polar Metals Pty Ltd	497	$9,293.90	$49,700	19-Nov-90	18-Nov-32	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
M63/236	Live	Avoca Mining Pty Ltd	9	$187	$10,000	9-Aug-91	8-Aug-33	The tenement is subject to the 2018 Ngadju Royalty.
M63/255	Live	Polar Metals Pty Ltd	369	$6,919	$37,000	22-Oct-92	21-Oct-34	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
M63/269	Live	Polar Metals Pty Ltd	649	$12,136.30	$64,900	1-Oct-93	30-Sep-35	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
M63/279	Live	Polar Metals Pty Ltd	13	$243.10	$10,000	23-Mar-94	22-Mar-36	This tenement is subject to the Polar & Barrick Royalty, secured

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
								by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
M63/329	Live	Avoca Resources Pty Ltd (93.33%) Stehn, Trent Paterson (6.67%)	68	$1,271.60	$10,000	23-Jul-01	22-Jul-22	
M63/366	Live	Avoca Mining Pty Ltd	54	$1,009.80	$10,000	30-Jul-10	29-Jul-31	The tenement is subject to the 2018 Ngadju Royalty.
M63/368	Live	Avoca Resources Pty Ltd (93.33%) Stehn, Trent Paterson (6.67%)	383	$7,162.10	$38,300	23-Jul-01	22-Jul-22	
M63/515	Live	Avoca Mining Pty Ltd	709	$13,258.30	$70,900	29-Aug-07	28-Aug-28	The tenement is subject to the 2018 Ngadju Royalty.
M63/516	Live	Avoca Mining Pty Ltd	710	$13,295.70	$71,100	29-Aug-07	28-Aug-28	The tenement is subject to the 2018 Ngadju Royalty.
M63/647	Live	Avoca Resources Pty Ltd	998	$18,662.60	$99,800	6-Aug-13	5-Aug-34	This tenement is subject to the Morgan Stanley Royalty.
M63/660	Pending	Avoca Resources Pty Ltd (93.33%) Stehn, Trent Paterson (6.67%)	277					
M63/662	Pending	Polar Metals Pty Ltd	971					
P15/5634	Live	Avoca Resources Pty Ltd	104	$286	$4,160	21-Oct-11	20-Oct-19	
P15/5638	Live	Polar Metals Pty Ltd	109	$299.75	$4,360	14-Jun-12	13-Jun-20	
P15/5639	Live	Polar Metals Pty Ltd	98	$269.50	$3,920	14-Jun-12	13-Jun-20	
P15/5640	Live	Polar Metals Pty Ltd	95	$261.25	$3,800	3-Sep-12	2-Sep-20	
P15/5958	Live	Polar Metals Pty Ltd	41	$112.75	$2,000	22-Dec-15	21-Dec-19	
P15/5959	Live	Polar Metals Pty Ltd	21	$57.75	$2,000	22-Dec-15	21-Dec-19	
P15/5960	Live	Avoca Resources Pty Ltd	131	$363	$5,280	24-Aug-15	23-Aug-19	
P15/5961	Live	Avoca Resources Pty Ltd	187	$517	$7,520	24-Aug-15	23-Aug-19	
P15/6179	Live	Avoca Mining Pty Ltd	21	$57.75	$2,000	11-Oct-18	10-Oct-22	
P63/1468	Live	Avoca Resources Pty Ltd (93.33%) Stehn, Trent Paterson (6.67%)	13	$35.75	$2,000	3-Jun-08	2-Jun-16	
P63/1587	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1588	Live	Polar Metals Pty Ltd	120	$332.75	$4,840	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
								by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1589	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1590	Live	Polar Metals Pty Ltd	120	$330	$4,800	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1591	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1592	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1593	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1594	Live	Polar Metals Pty Ltd	121	$335.50	$4,880	10-Jun-09	9-Jun-17	This tenement is subject to the Polar & Barrick Royalty, secured by a mortgage which has been subsequently assigned to Franco Nevada Australia Ltd.
P63/1977	Live	Avoca Resources Pty Ltd	88	$242	$3,520	3-Mar-15	2-Mar-23	
P63/2011	Live	Avoca Mining Pty Ltd	170	$467.50	$6,800	8-May-17	7-May-21	
P63/2012	Live	Avoca Mining Pty	164	$451	$6,560	8-May-17	7-May-21	

Mineral Lease	Status	Holder	Area ha (approx.)	Rent	Commitment	Grant Date	Expiry Date	Royalties
		Ltd						
P63/2013	Live	Avoca Mining Pty Ltd	181	$497.75	$7,240	9-May-17	8-May-21	
P63/2014	Live	Avoca Mining Pty Ltd	147	$404.25	$5,880	9-May-17	8-May-21	
P63/2015	Live	Avoca Mining Pty Ltd	117	$324.50	$4,720	9-May-17	8-May-21	
P63/2025	Live	Avoca Mining Pty Ltd	144	$396	$5,760	8-May-17	7-May-21	
P63/2050	Live	Avoca Mining Pty Ltd	182	$503.25	$7,320	8-May-17	7-May-21	
P63/2051	Live	Avoca Mining Pty Ltd	151	$415.25	$6,040	8-May-17	7-May-21	
P63/2064	Live	Avoca Mining Pty Ltd	21	$57.75	$2,000	20-Jul-17	19-Jul-21	
P63/2067	Live	Avoca Mining Pty Ltd	172	$473	$6,880	9-May-17	8-May-21	
P63/2080	Live	Avoca Mining Pty Ltd	19	$55	$2,000	13-Apr-18	12-Apr-22	The tenement is subject to the 2018 Ngadju Royalty.
P63/2094	Live	Avoca Mining Pty Ltd	168	$464.75	$6,760	18-Jan-18	17-Jan-22	
P63/2095	Live	Avoca Mining Pty Ltd	183	$506	$7,360	18-Jan-18	17-Jan-22	
P63/2097	Live	Avoca Mining Pty Ltd	149	$412.50	$6,000	18-Jan-18	17-Jan-22	
P63/2100	Live	Avoca Mining Pty Ltd	182	$500.50	$7,280	5-Jun-18	4-Jun-22	
P63/2101	Live	Avoca Mining Pty Ltd	102	$280.50	$4,080	6-Jun-18	5-Jun-22	
P63/2102	Live	Avoca Mining Pty Ltd	91	$250.25	$3,640	6-Jun-18	5-Jun-22	
P63/2119	Live	Avoca Mining Pty Ltd	102	$280.50	$4,080	10-Oct-18	9-Oct-22	
P63/2120	Live	Avoca Mining Pty Ltd	106	$291.50	$4,240	10-Oct-18	9-Oct-22	
P63/2121	Live	Avoca Mining Pty Ltd	121	$332.75	$4,840	10-Oct-18	9-Oct-22	
P63/2122	Live	Avoca Mining Pty Ltd	130	$357.50	$5,200	10-Oct-18	9-Oct-22	
P15/6229	Pending	Avoca Mining Pty Ltd	200					
P15/6230	Pending	Avoca Mining Pty Ltd	129					
P15/6231	Pending	Avoca Mining Pty Ltd	198					
P15/6234	Pending	Avoca Mining Pty Ltd	121					
P15/6239	Pending	Avoca Mining Pty Ltd	121					
P15/6240	Pending	Avoca Mining Pty Ltd	121					
P63/2021	Pending	Avoca Mining Pty Ltd	198					
P63/2022	Pending	Avoca Mining Pty Ltd	198					
P63/2023	Pending	Avoca Mining Pty Ltd	148					
P63/2024	Pending	Avoca Mining Pty Ltd	177					
P63/2125	Pending	Avoca Mining Pty Ltd	197					
P63/2126	Pending	Avoca Mining Pty Ltd	194					
Total			**178,956**	**$790,927**	**$5,080,260**			

- ***Royalties***

RNC pays royalties in respect of HGO as outlined below. The tenements to which the royalties below apply are set out in Table 1.

- **Morgan Stanley**: The Morgan Stanley royalty was re-structured in December, 2019. The restructured royalty provides for a flat 2% NSR after payment of an adjusted legacy rate on the first 2,500 gold ounces sold per quarter. Details of the restructured royalty are as follows:
  - An adjusted legacy royalty on the first 2,500 ounces sold per quarter comprised of a 1.75% NSR plus a reduced 27.5% participation payment (reduced from 50% previously) on the difference between realized gold price and A$1,340 per ounce. This legacy rate will apply for 11 years (or to a cumulative total of 110,000 ounces).
  - A flat 2% NSR on ounces sold in excess of 2,500 per quarter, which will become payable after the first 37,500 ounces, (which excludes legacy ounces) are sold from HGO production.
  - The restructured royalty came into effect on January 1, 2020.
- **Dry Creek**: (a) AMG pay Synergy Equities Group Limited (ACN 009 148 529) a royalty of $0.12 per gram of gold per dry metric tonne of royalty ore (mineralised material mined from the applicable tenements which contains an average grade greater than 1gm of gold per dry metric tonne and not classified as waste or low grade); and (b) the royalty is to be adjusted monthly as follows: $0.12 x (price of gold per gram (average Perth Mint purchasing price) / $14).
- **Gindalbie and Trythall**: (a) AMG pay a royalty to Gindalbie Metals Limited (ACN 060 857 614) for ore: (i) transported through the decline on the applicable tenements; and (ii) which has been treated by any treatment process, at the rate of $3.00/dry tonne and capped at a maximum payment of $500,000, (the Gindalbie Royalty), (b) AMG pay a royalty to William Thomas Trythall in respect of gold mined on the applicable tenements at a fixed rate of $20/oz.
- **Mitchell**: (a) AMG pay a royalty of $32/oz. of fine gold (not less than 0.995 fineness) to Carnegie Corporation Ltd (ACN 009 237 736) and Total Mineral Resources NL (ACN 079 805 253) in equal shares (the "**Mitchell Royalty**").
- **Ngadju 2002 mining agreement**. The mining agreement between South Kal Mines Pty Ltd and the Ngadju people dated 20 May 2002 has the following continuing obligations relevant to land including the Tenements: (a) an annual payment of $20,000 towards the "Ngadju Education Trust" for the duration of the project operations; and (b) a royalty of up to $5.00/oz. of gold recovered.
- **Ngadju 2018 mining agreement**. The mining agreement between Ngadju Native title Aboriginal Corporation RNTBC, AMG and PMT dated June 12, 2018 has the following continuing obligations relevant to land including the Tenements: (a) an administration contribution of $25,000 per annum when AMG and PMT are not conducting mining operations on applicable tenements, and $50,000 per annum when AMG and PMT are conducting mining activities on the applicable tenements; (b) a scholarship trust contribution of $28,500 per annum; and (c) a production contribution of up to 1%/oz. of gold produced.
- **Brocks Creek**: (a) that AMG pay a royalty of $1 per tonne of ore for all ore mined and milled from the applicable tenements.
- **Polar & Barrick**: (a) PMT pay a royalty equal to all product mined from the tenements x 2% x Net Smelter Return (ie 100% of gross revenue from sale of product less 100% of charges

(only if reasonable and arms length) for smelting, assaying and sampling, penalties for impurities, taxes, transportation and insurance of production of product from PMT processing plant.

- **Paynter**: (a) mineral rights above 20 metres will be retained 100% by Noel Paynter, but Avoca has the option to buy out the surface rights at any time for a payment of $1.5 million in cash and/or shares at Noel Paynter's election; (b) Avoca must earn a 90% interest in the mineral rights below 20 metres by spending $250,000 by 10 May 2008; and (c) Noel Paynter retains a 10% interest in the mineral rights below 20 metres that may be converted into a 1% interest in net smelter return if he does not elect to contribute 10% of costs. Avoca has the right to buy out the remaining 10% interest at any time after it earns 90% with a payment of $1 million.

- **Western Australia (State Government)**: A state royalty equal to 2.5% of recovered gold.

- ***Permits and Authorizations***

An application for a Mining Lease must be accompanied by a Mining Proposal and Mine Closure Plan ("**MCP**") in accordance with the Mining Act. A Mining Lease, Mining Proposal and MCP are required to carry out mining activities on a site. There are a number of Mining Proposals and MCPs applicable to HGO. Listed below are the permits that cover HGO's active mining operations:

- Mine Closure Plan – Higginsville Gold Operations – Reg ID: 61112 dated August 2016.

- Revised Fairplay East In-pit TSF Mining Proposal – Reg ID: 75834.

- Mining Proposal - Mount Henry Gold Operation - Revision A Version 2 – Reg ID: 71989. Approval was given on April 12, 2018 for AMG to carry out the activities outlined in the Mt Henry MCP. Conditions were varied on April 18, 2018 as set out in a letter from DMIRS dated April 23, 2018.

- Baloo Project Mine Closure Plan – Reg ID: 75377. Approval was given by DMIRS on February 11, 2019 for AMG to carry out the activities outlined in the Baloo MCP.

- ***Effect of Native Title on HGO Mining Tenements***

The HGO tenements are subject to native title determinations and claims. As of April 11, 2019, the status of Native Title determinations is as follows:

(a) **Ngadju Claim** (WCD2014/004, WAD6020/1998) and **Ngadju B Claim** (WCD2017/002, WAD6020/1998)): the Federal Court of Australia has determined that the Ngadju people have native title rights and interests in relation to an area of land that includes the HGO tenements.

(b) **Marlinyu Ghoorlie Claim** (WC2017/007, WAD647/2017)): the Federal Court has accepted for registration a claim by the Marlinyu Ghoorlie people over an area of land that includes the HGO tenements. This claim has not yet been determined.

(c) **Maduwongga Claim** (WC2017/001, WAD186/2017): the Maduwongga people have registered a native title claim over an area of land that includes the HGO tenements. This claim has not yet been determined.

(d) **Nyalpa Pirniku Claim** (WC2019/00, WAD91/2019): the Nyalpa Pirniku people have lodged a native title claim over an area of land that includes the HGO tenements. This claim is currently identified for a registration decision.

Given where the HGO tenements are within Western Australia, it is not at all surprising that native title groups have lodged claims and obtained determinations under the NTA. The existence of a native title determination or a claim does not impact directly on the validity of mining tenements, nor does it impact on existing operations.

The relevant mining legislation in Western Australia contains provisions that may make a tenement holder liable for the payment of compensation for the effect of mining and exploration activities on any native title rights and interests that may still exist in the area covered by a tenement. It is difficult to estimate the amount of compensation that may be payable, and the Ngadju people would also need to prosecute a compensation claim for it to be payable.

RNC have inherited three active mining agreements with native title groups for the grant of tenements:

(a) **2002 Mining Agreement**: with the Ngadju People dated 20 May 2002;

(b) **2010 Mining Agreement**: with the Ngadju People and the Goldfields Land and Sea Council dated June 30, 2010; and

(c) **2018 Mining Agreement**: with Ngadju Native Title Aboriginal Corporation RNTBC, dated June 12, 2018. This Agreement appears to supersede the 2010 Agreement.

- ***Aboriginal Heritage Act 1972***

A search of the Western Australian Government's AHIS conducted on April 18, 2019 shows there are a number of Aboriginal sites within the HGO tenements. Based on records held by HGO, prior to the project area being developed and mined, ethnographic and archaeological surveys were commissioned over the HGO project area. No sites of ethnographic or archaeological significance were recorded.

HGO, through RNC, is a signatory to a number of heritage protection agreements with the Ngadju Claim Group.

History

Samantha Gold NL commenced exploration activities in and around the historic mining centres of Higginsville and Eundynie in 1983 after acquiring the grounds from local prospectors. From 1987 to 1993 extensive use of soil geochemistry led to the early discovery of the Poseidon South, Graveyard and Aphrodites deposits and later the Tertiary sediment hosted Challenger-Swordsman deep-lead deposit.

Resolute Samantha Limited ("**Resolute**") gained control of Samantha Gold NL in July 1994 and continued an intensive exploration approach that yielded additional discoveries. In 1996 exploration focus changed to examining the depth potential of the Higginsville Belt. Underground mining from the base of the Poseidon South Pit was undertaken from 1997 to 1998. From 1989 to 1997 HGO plant processed a total of 6.7 million tonnes to produce 613,000 oz.

In July 1999, WMC entered into a joint venture with Resolute to explore the area for nickel and gold. Gold Fields Australia ("**GFA**") purchased WMC's interest in the project as a part of the purchase agreement for WMC's Western Australian gold assets in November 2001, and acquired interest in the Higginsville joint venture on February 22, 2002. GFA took over full control of the project in October 2003, with Resolute retaining the nickel rights which were subsequently sold to Bullion Minerals Limited ("**Bullion**"). Over the period of WMC's involvement in the project area, the ground holding has reduced by over 50%, from 400 square km to 178 square km.

Avoca reached an agreement with Gold Fields to acquire 100% of HGO on June 30, 2004, with subsequent settlement occurring on December 3, 2004. The Nickel rights to particular tenements are held by Bullion. Equinox Gold Corporation commenced a joint venture arrangement with Bullion on these tenements to explore for nickel (the "**Cowan Nickel Joint Venture**"). Bullion subsequently transferred the nickel rights to Liontown Resources Limited.

Avoca discovered the Trident Deposit in October 2004, with an initial resource statement of 450,000 ounces completed in August 2005. A pre-feasibility study was completed in December 2005. Additional drilling resulted in an updated resource statement released in May (to 870,000 ounces) and August 2006 (to 1.1 million ounces).

The procurement and construction of a new 1 Mtpa CIL treatment plant at HGO commenced in late 2007. The plant was commissioned in the first half of 2008 with the first official gold pour on July 1, 2008. The plant is designed to treat 1.3 Mtpa. The Trident mine was the base load of the Operation, supplemented by feed coming from paleochannels and open pits. A paste plant delivering paste to the underground was completed in October 2009. On February 18, 2011, Anatolia Minerals Development Limited and ARS merged, resulting in a new company called Alacer Gold Corp. ("**Alacer**").

- ***Westgold***

On the October 1, 2013, Metals X Limited ("**Metal X**") acquired all of Alacer's Australian gold operations through Westgold, Metal X's wholly-owned subsidiary. The acquisition included HGO.

In July 2015, Metals X acquired the Mt Henry Gold Project from Panoramic Resources Ltd. and Matsa Resources Limited. The Mt Henry Gold Project is located approximately 15 km south of Norseman and 75 km south of HGO. The Mt Henry Gold Project consists of three known deposits: North Scotia, Selene and Mt Henry. All the deposits are located on granted mining leases.

In February 2018, Westgold acquired the Polar Bear and Norcott projects, together with the Eundynie Joint Venture, for A$9 million from S2 Resources Limited ("**S2**"), with S2 retaining nickel rights.

The Polar Bear project abuts the main HGO historic gold deposits and provides short term mineralized material sources for the Higginsville treatment plant from mining of the Baloo deposit and further exploring with a view to development of the nearby Monsoon, Bindy, Nanook and Ear Lobe prospects.

On October 2, 2018, Westgold published a gold mineral resource estimation and mineral reserve update effective June 30, 2018. HGO includes a 367,000 ounce historical reserve within a 1.2 million ounce historical measured & indicated gold resource, along with a further 0.7 million ounce historical inferred resource. A qualified person has not done sufficient work on behalf of the Company to classify the historical estimates noted above as current mineral resources or mineral reserves. The Company is not treating the historical estimates as current mineral resources or mineral reserves.

Geological Setting, Mineralization, and Deposit Types

- ***Regional Geology***

The HGO is located in the Eastern Goldfields Superterrane of the Archean Yilgarn Craton of Western Australia. The Eastern Goldfields Superterrane is comprised of metavolcanic and metasedimentary rocks, granites and granitic gneiss, and is divided into a number of terranes, namely the Kalgoorlie, Kurnalpi and Burtville Terranes. These tectono-stratigraphic terranes are defined on the basis of distinct volcanic facies, geochemistry and geochronology with the Eastern Goldfields Superterrane, and range in age from 2.81 to 2.66 Ga.

The Higginsville tenement package are located almost entirely within the well-mineralised Kalgoorlie Terrane, between the gold mining centres of Norseman and Saint Ives. This region is made up predominantly of younger (2.71 - 2.66 Ga) and minor older (>2.73 Ga) greenstone successions.

The structurally complex Archaean geology is rarely observed in outcrop, being obscured by well-developed ferruginous and carbonate soils, aeolian sands, tertiary palaeo-sediments and salt lake sediments. Many areas are also overprinted by deep lateritic profiles, which have resulted in extensive chemical remobilisation and deposition. The Archaean stratigraphy has a general northward trend comprising multiply deformed ultramafic (gabbro) basalt successions adjoined by sediments to the west and east. Shearing and faulted contacts are common. The units have been structurally repeated by east over west thrust faulting.

HGO can be sub-divided into six major geological domains:

- Trident line-of-lode;
- Chalice;
- Lake Cowan;
- Southern palaeochannels;
- Mount Henry; and
- Polar Bear Group.

▪ *Trident line-of-lode*

The majority of mineralization projects along the Trident line-of-lode are hosted within the Poseidon Gabbro and high-MgO dyke complexes in the south.

▪ *Chalice*

The Chalice deposit is located within a north south trending, two to three km wide greenstone terrane, flanked on the west calc-alkaline granitic rocks of the Boorabin Batholith and to the east by the Pioneer Dome Batholith. The mafic-ultramafic rocks of the greenstone terrane comprise upper greenschist to middle amphibolite facies metamorphosed, high-magnesium basalt, minor komatiite units and interflow clastic sedimentary rocks intruded by a complex network of multi-generational granite, pegmatite and porphyry bodies

▪ *Lake Cowan*

The Lake Cowan Project is located on the northwest shore of the Lake Cowan salt pan, 19 km northeast of the historic Higginsville town site.

The area is situated near the centre of a regional anticline between the Zuleika and Lefroy faults, with the local geology of the area made more complex by the intrusion of the massive Proterozoic Binneringie dyke. The anticlinal system is in a rift-phase portion of the greenstone belt, comprising a complex succession of mafics and ultramafics, sulphidic carbonaceous shales, felsic volcanics and volcaniclastic sediments. These have been intruded by several younger felsic granitoids.

▪ *Southern Palaeochannels*

Throughout HGO, a significant proportion of gold deposits are hosted by sediments within the Southern Palaeochannel network. Mineralised zones comprise both placer gold, normally near the base of the channel-fill sequences, and chemically-precipitated secondary gold within the channel-fill materials and underlying saprolite. These gold concentrations commonly overlie, or are adjacent to, primary mineralised zones within Archaean bedrock.

Outcrop is generally poor, due to extensive ferruginisation, calcareous soils, aeolian sands and extensive areas of remnant lacustrine and fluvial sediments. The result is a complex, layered regolith, with considerable chemical re-mobilisation and re-deposition.

▪ *Mount Henry*

The Archean rocks in the Norseman area have historically been classified into a series of formations. The stratigraphic sequence for the area is:

- The Penneshaw Formation forms the greenstone sequence on the eastern side of the belt. It consists of predominantly mafic volcanic rocks with inter layered units of felsic volcaniclastic and sedimentary rocks, and is intruded by dolerite sills and dykes. Units of the formation host the gold mineralization at Everlasting and Mildura prospects.

- The Noganyer Formation forms a distinct sedimentary sequence of siliclastic rocks, principally silicate facies banded iron formations (BIF), chert, sandstones and shales. Intrusions of dolerite dykes and sills are common throughout. An age of 2,706 (+/-5) Ma has been obtained from a chert bed.

- The Woolyeenyer Formation both dips and faces west and consists of a sequence of mafic volcanic rocks with minor ultramafic and sedimentary units. Syn-volcanic dolerite dykes and sills intrude the strata and the Noganyer Formation below. One dyke in the lower part of the sequence has an age of 2,714 (+/-5) Ma which is the same age (within error) as the chert in the lower Noganyer Formation.

The Mount Henry and Selene gold deposits are hosted in the Noganyer Formation. The Noganyer Formation is conformably overlain by the Woolyeenyer Formation in the west.

- *Polar Bear Group*

The geology at Polar Bear is dominated by complexly deformed Achaean greenstone assemblages of the Norseman-Wiluna Greenstone Belt which have been metamorphosed to upper greenschist facies. The major regional structures in the area are the Boulder-Lefroy Fault, located approximately 10 km northeast of the project area, the Mission Fault located in the southern portion of the package, and the Black Knob Fault that transects the central portion of the project. The Mission Fault merges with the Black Knob Fault in the southwest portion of the project area. Both the Boulder-Lefroy and the Black Knob faults strike north-northwest. The Black Knob Fault is interpreted to be the southern extension of the Zuleika Shear.

The characteristics of the Western Flanks and A Zone gold lodes at the Beta Hunt Mine and the gold deposits at Higginsville are consistent with the greenstone-hosted quartz-carbonate vein (mesothermal) gold deposit.

- ***Deposit Types***

The gold deposits at HGO are consistent with the greenstone-hosted quartz- carbonate vein (mesothermal) gold deposit model. See "*the Beta Hunt Mine – Geological Setting, Mineralization and Deposit Types – Deposit Types*" of Appendix A for more information.

Exploration

Exploration for gold mineralization on the HGO tenements has been completed primarily by drilling which is described under the heading "*Higginsville Gold Operation – Drilling*". Since the sale of the asset by Alacer to Westgold in 2013, limited non-drilling exploration has been completed on the property.

Initial exploration focus by RNC since acquiring HGO was testing for mineralised extensions to the Baloo gold mine which is an active open pit operation.

- ***Baloo North and Mission Fault***

Two stages of exploration drilling targeting the northern offset of the main Baloo mineralization were completed in October and December 2019. Drilling comprised 13 reverse circulation ("**RC**") and one diamond drill hole north of a major fault ("**Buldania Fault**") and intersected strong mineralization including 8.7 g/t over 3 m from 63 m downhole in drill hole BLOR003.

- ***Burke-Barcelona High Density Gravity Survey***

As part of the renewed focus on exploration at HGO, a high density gravity survey was conducted over a 60 square km area covering the Burke-Barcelona mineralised corridor, 5km north of the previously mined 1.0 Moz Trident gold deposit and HGO mill. The survey area had previously been the focus of reconnaissance aircore drilling and limited bedrock drilling as part of a regional approach by previous owners. The aim of the survey was to define both shear-hosted and paleochannel structures on 200 m X 100 m line spacings. The survey (Figure 1) was conducted in December, 2019.

Results from the gravity survey highlight a new 5km long north-south structure (Figure 2) interpreted to be a splay off the main Burke-Barcelona mineralised shear which lies parallel and west of the regionally significant Zuleika Shear. The new gravity defined structure, combined with historical shallow aircore drilling (including a best intersection of 4 m of 1.7 g/t in HIGA157, from 16m), highlights the prospectivity of the full 5 km length of the structure and enhances the potential for mineralization at depth.

Follow-up RC bedrock drilling is planned to test the newly interpreted structure at depth for primary mineralization as part of HGO's 2020 exploration plans.

Figure 1: Higginsville 1VD aeromagnetic plan highlighting major shear zones and location of the recently completed high density gravity survey (CNW Group/RNC Minerals). The image is coloured using an underlying regional gravity colour.

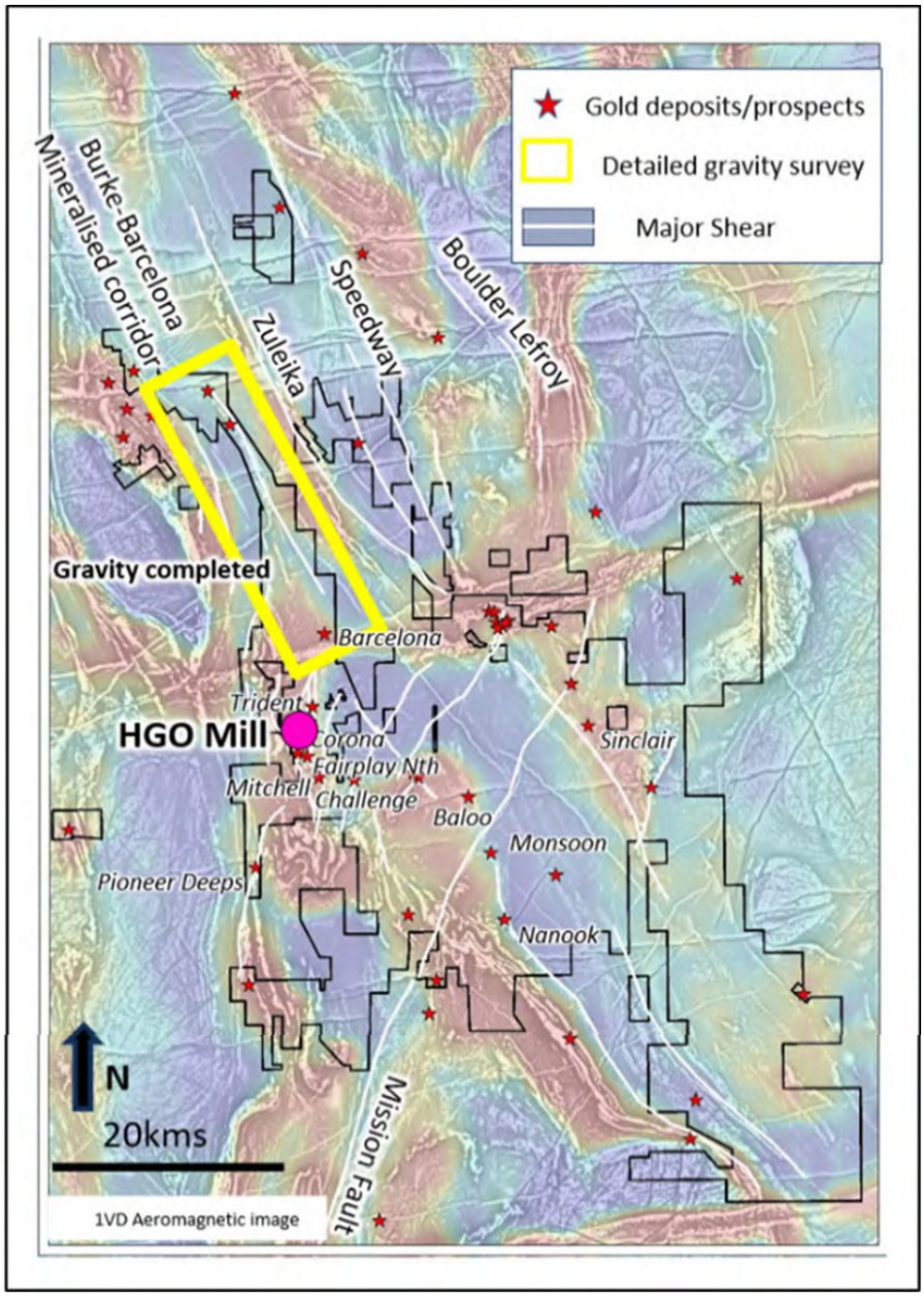
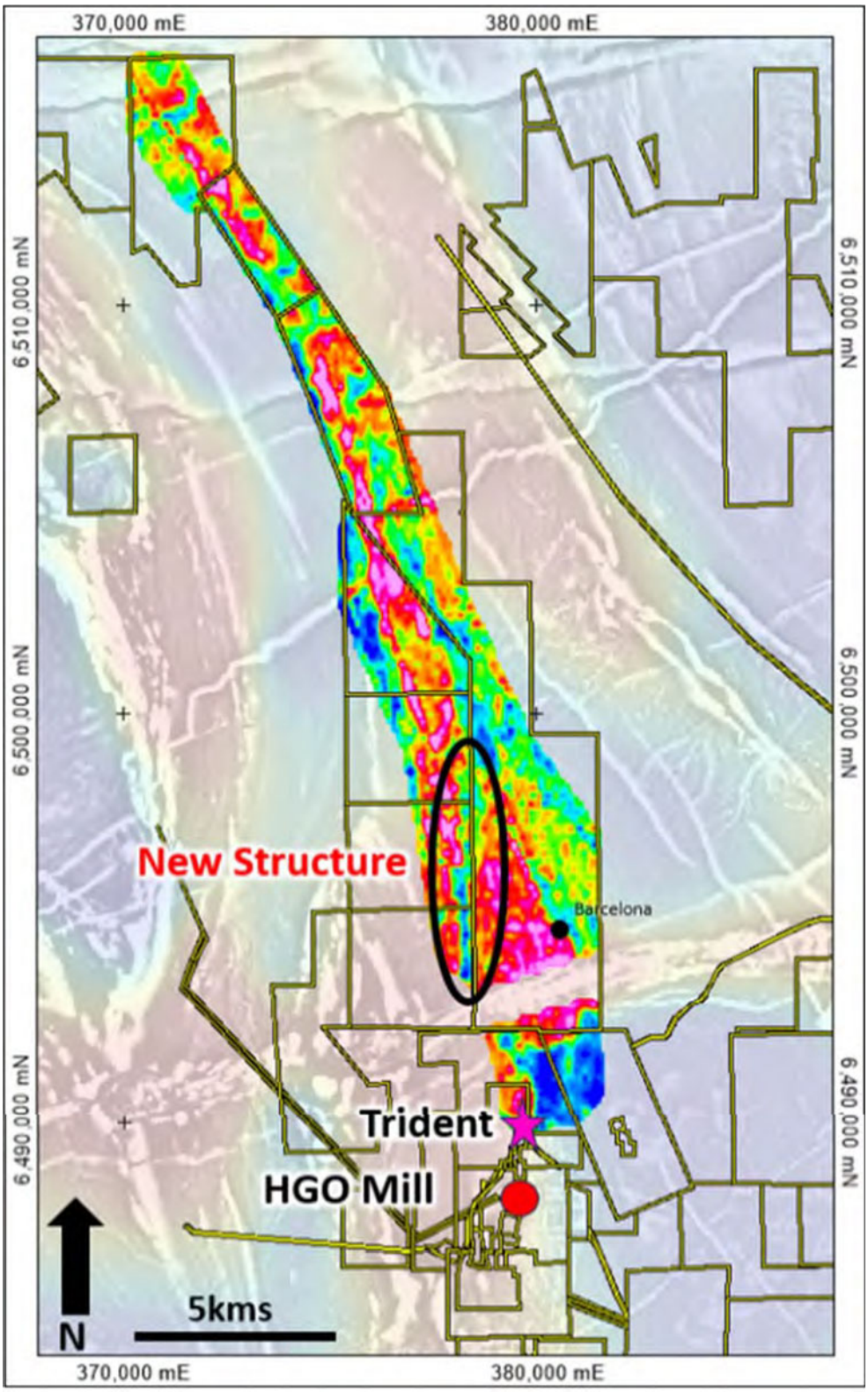


Figure 2: High density gravity image (overlying a 1VD aeromagnetic image) covering the Burke-Barcelona mineralised corridor highlighting newly interpreted north-south structure west of the Barcelona prospect. (CNW Group/RNC Minerals).



Drilling

Drilling at HGO has been carried out by a number of companies since the 1970's to explore for and delineate nickel and gold resources using a variety of methods. As at the date of the acquisition of HGO by RNC, the Higginsville drill hole database held 54,290 drill holes for approximately 2,739k metres. Since the acquisition to December 31, 2019, RNC has drilled an additional 314 drill holes for 17,475m illustrated in Table 2 and Table 3.

Table 2: Higginsville Drill Hole Database (excludes grade control drilling) - Number of Holes as of December 31, 2019

Drill Type	Pre-Westgold	WestGold	RNC	Total
RC/DDH	65	11		76
PERC	108	2		110
DDH	2,772	33	3	2,808
RC	9,686	2,314	311	12,311
AC	26,151	1,953		28,104
RAB	10,515	261		10,776
RAB/RC	64			64
UNK	348			348
AC/RC		7		7
Total	**49,709**	**4,581**	**314**	**54,604**

Table 3: Higginsville Drill Hole Database (excludes grade control drilling) - Number of Metres as of December 31, 2019

Drill Type	Pre-Westgold	WestGold	RNC	Total
RC/DDH	9,210	2,793		12,003
PERC	1,578	30		1,608
DDH	480,766	4,837	387	485,990
RC	719,064	107,556	17,088	843,708
AC	1,001,849	66,045		1,067,894
RAB	324,812	5,811		330,623
RAB/RC	2,768			2,768
UNK	11,435			11,435
AC/RC		345		345
Total	**2,551,482**	**187,417**	**17,475**	**2,756,374**

- ***RNC Drilling***

Since acquisition of the HGO Project in June, 2019, RNC has completed 314 holes totalling 17,475m. Drilling has focused on short term mining opportunities to support the HGO mill feed over the next 2 years. Deposits targeted for drilling include Baloo, Mousehollow, Hidden Secret, Fairplay

North, Pioneer and Two Boys. Results received to date cover Baloo and Fairplay North and were reported in RNC announcement January 23, 2020.

- *Baloo*

RNC has completed 25 resource definition holes totalling 798m at Baloo. Drilling focused on the following target areas with aim of upgrading the historical resources.

- Eastern Footwall mineralization; and
- Down-dip Infill of the Baloo mineralization.

Drilling results have either confirmed or expanded upon modelled mineralization. Some of the highlights include:

- Eastern Footwall drilling:
  - BLOR0033 – 4.8g/t over 3.0m, from 7m
  - BLOR0034 – 2.6g/t over 4.0m, from 6m
- Down-Dip Infill:
  - BLOR0009- 2.5g/t over 18.5m, from 14m BLOR0006 – 3.7g/t over 7.3m, from 35m BLOR0010 – 2.4g/t over 10.6m, from 43m

Note that drill hole intervals are estimated true widths.

- *Fairplay North*

RNC has completed 26 resource definition RC holes totaling 1,721 m at Fairplay North. Drilling focused on upgrading the existing historical resource within and on the margins of an optimised pit shell.

Assay results confirmed the mineralization interpretation and has extended the near surface supergene mineralization.

Drilling highlights include:

- FPNGC_1305-078: 16.5g/t over 16m from 24m, including 59.8g/t over 4m FPNGC_1305-083: 5.8g/t over 13m from 25m
- FPNGC_1305-102: 3.2g/t over 14m from 53m FPNGC_1305-097: 2.3g/t over 9m from 68m FPNGC_1305-087: 3.1g/t over 8m from 52m

Note that drill hole intervals are estimated true widths.

Sampling, Analysis and Data Verification

- ***Sample Preparation***

A detailed description of sample preparation, analysis and security can be found in NI43-101 Technical Report of the Mining Operations and Exploration Tenements of Avoca Resources Limited Western Australia (SRK 2010). The SRK report covers relevant procedures and methods used on its projects to 15 December, 2010, including those employed (historically and at the time of the report) at the Higginsville Project. The Qualified Person's statement concluded that the sampling, sample preparation, sample analysis and sample security procedures at Higginsville are adequate and the data derived from the analyses of these samples can support resource estimation.

From February 2011 to September, 2013, HGO was owned by Alacer. During this period, the process of sample preparation, analysis and security is described in ASX releases, the latest one with reference to their December 31st, Resources and Reserves Statement by Alacer (Alacer, 2013). According to the authors of the Beta Hunt Mine Technical Report, the description of the sampling method, sample analysis and QAQC methods employed were consistent with industry standards.

- *Surface*

Reverse circulation drilling is a form of percussion drilling utilizing a (nominally) 5¼" face-sampling hammer which is designed to eliminate downhole contamination. Drill cuttings are extracted from the reverse circulation return via cyclone. Prior to 2016, the underflow from each 1m interval was transferred via bucket to a four tiered riffle splitter, delivering approximately three kilograms of the recovered material into calico bags for analysis. The residual material is retained on the ground near the hole. Post-2016 a cone splitter has typically been used located directly below the cyclone, delivering approximately three kilograms of the recovered material into calico bags for analysis. Samples that are too wet to be split through a splitter are taken as grabs and are recorded as such. The use of a cone splitter is much more accommodating for wet samples.

Diamond drilling (HQ/NQ2) holes are used to better define resource and exploration prospects, with other core sizes used historically.

This core was both geologically and geotechnically logged, and subsequently halved for sampling.

- *Underground*

The bulk of the data used in resource calculations at HGO has been gathered from diamond core. Four types of diamond core sample have been historically collected.

The predominant sample method is half-core NQ2 diamond with half-core LTK60 diamond, whole core LTK48 diamond and whole core BQ diamond is also used. This core is geologically logged and sampled to geologically relevant intervals.

Each development face at HGO was mapped and chip sampled. Depending on the complexity of the geology noted in the face mapping, one or two sample channels were taken perpendicular to the mineralization. Sampling intervals are determined by geological constraints (e.g. rock type, veining and alteration / sulphidation etc.) with an effort made to ensure each 3kg sample is representative of the interval being extracted. Samples are taken in a range from 0.1m to 1.2m.

Sludge drilling is performed with an underground production drill rig. It is an open hole drilling method using water as the flushing medium, with a 64mm or 89mm hole diameter. Samples are taken twice per drill steel (1.8m steel, 0.9m sample). Holes are drilled at sufficient angles to allow flushing of the hole with water following each interval to prevent contamination. Sludge drilling is used to guide the geological interpretation of ore lodes. Grade intercepts are not included within the resource estimation process.

- ***Sample Security***

For samples assayed at the on-site laboratory, samples were delivered to the facility by company staff. Upon delivery the responsibility for sample security and storage fell to the independent third party operator of the of the facility. The third party operator at HGO was Bureau Veritas Minerals Pty Ltd ("**Bureau Veritas**"). The on-site laboratory was removed in June 2019.

For samples assayed off-site, samples are delivered to a third party transport service, who in turn relay them to the Bureau Veritas' Kalgoorlie laboratory. Samples are stored securely until they leave site.

- ***Sample Analysis***

  - *Fire Assay*

All geological samples requiring assaying are sent off site to a commercial laboratory for analysis. The entire dried sample is jaw crushed ("**JC2500**" or "**Boyd Crusher**") to a nominal 85% passing 4mm with crushing equipment cleaned between samples. The sample is then split using an Integral RSD to produce a product <3kg, the remainder of the sample is stored as the coarse reject. The sample is then pulverised in a LM5 ring mill to grind the sample to a

nominal 90% passing 75µm particle size. A charge of 40g is taken and flux added, and fired in a reduction furnace to produce a button. It is then further fired in a muffle furnace to produce a dore bead. The dore bead is then dissolved and silver separated from the gold in solution. The resulting liquor is then analysed for gold content by organic extraction with flame AAS finish, with an overall method detection limit of 0.01 ppm Au content in the original sample.

QAQC consists of regular submission of blank and certified standard material, as well as regular repeat analysis of the coarse reject material. Internal laboratory standard reference material is also regularly analysed at a rate of 1 in every 20 samples.

- *PAL 1000 (Leachwell Technique)*

The entire dried sample is jaw crushed (JC2500 or Boyd Crusher) to a nominal 85% passing 2mm with crushing equipment cleaned between samples. An analytical sub-sample of approximately 500-750g is split out from the crushed sample using a riffle splitter, with the coarse residue being retained for any verification analysis. The accurately weighed sub-sample is further processed utilising a PAL1000B to grind the sample to a nominal 90% passing 75µm particle size, whilst simultaneously extracting any cyanide amenable gold liberated into a Leachwell liquor. The resulting liquor is then analysed for gold content by organic extraction with flame AAS finish, with an overall method detection limit of 0.01 ppm Au content in the original sample.

QAQC consists of regular submission of blank and certified standard material, as well as regular repeat analysis of the course reject material. Internal laboratory standard reference material is also regularly analyzed at a rate of 1 in every 26 samples.

- ***Data Verification***

Below summary is taken from Westgold's Annual Mineral Resource Commentary, June 2018 (Westgold, 2019):

All data used in the calculation of resources and reserves are compiled in databases (underground and open pit) which are overseen and validated by senior geologists.

- All geology input is logged and validated by the relevant area geologists, incorporated into the assessment of sample recovery.
- All assay data has built in quality control checks. Twinned holes have been drilled in several instances with no significant issues highlighted. Drill hole data is also routinely confirmed by development assay data in the operating environment.
- All data is spatially oriented by survey controls via direct pick-ups. Deeper drill holes are all surveyed downhole, currently with either a gyro tool or a multi-shot camera as appropriate.

The Qualified Person, has conducted a limited review of the HGO database. This review indicates the procedures are adequate for the reporting of historical Mineral Resources.

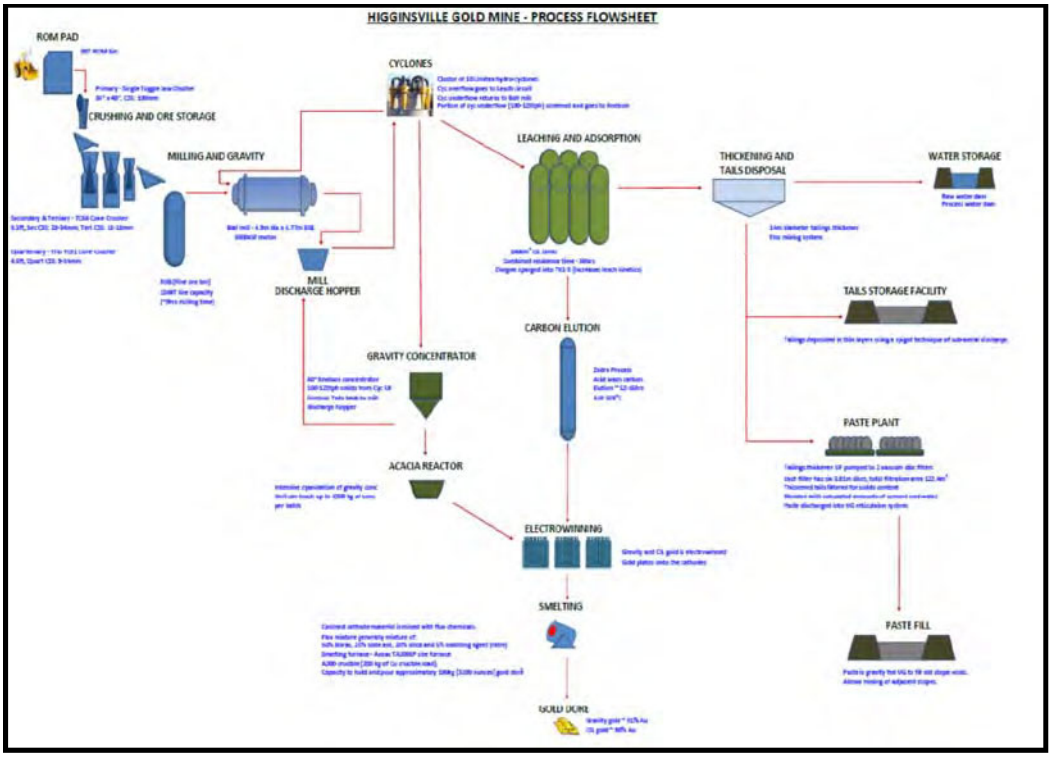
Mineral Processing and Metallurgical Testing

- ***Gold Processing***

Gold mineralization is processed at HGO. Material is processed in either batches or mixed with other mineralization sources from HGO. The Higginsville Mill flowsheet (shown in Figure 3) is a conventional CIP gold circuit with quaternary crushing and ball milling with a gravity recovery circuit on the cyclone underflow. Grinding is followed by leaching with a production capacity of 1.3Mtpa. The gravity recoverable gold from the mineralization, which is recovered through a Knelson concentrator and Acacia high intensity leach reactor is treated separately to produce bullion. The mill cyclone overflow product flows to a leach circuit. The pregnant solution reports to carbon

adsorption tanks followed by an acid wash and elution before the electro winning circuit produces a calcine for smelting.

Figure 3: Higginsville Gold Mill Flowsheet



Mineral Resource Estimates

No mineral resources have been estimated for the HGO. Westgold has publicly released resource estimates for Higginsville as of the June 30, 2018, please see "*Higginsville Gold Operations – History*", however, a qualified person has not done sufficient work on behalf of RNC to classify the historical estimate noted under the section "*Higginsville Gold Operations – History*" as current mineral resources and RNC is not treating the historical estimates as current mineral resources.

Mining Operations

HGO has two active open pit operations, being Baloo and Fairplay North.

Baloo is a deposit situated within Lake Cowan and is situated approx. 1km from the nearest shore line. The mineralization is covered with lake alluvium with inconsistent stability characteristics. Access to the deposit will need to be established which has sufficient strength to provide a stable haul road for the mining activities.

A 35m deep initial pit has been designed which targets the oxide portion of the resource preferentially. The design configuration suits a 120t class excavator and 90t tonne payload rigid dump trucks.

Fairplay North is located 1 km south of the HGO mill. The pit will be mined in two stages to optimise mining operations and will be mined concurrently with Baloo to ensure optimal feed blend to the HGO mill. Expected completion of Stage 2 is by the end of Q3 2020, however recent drilling has raised the potential for this to be extended.

Processing and Recovery Methods

For details on recovery methods for gold mill processing, please see "*the Beta Hunt Mine - Mineral Processing and Metallurgical Testing – Gold Processing*" and "*Higginsville Gold Operations - Mineral Processing and Metallurgical Testing – Gold Processing*" for more information.

Infrastructure, Permitting and Compliance Activities

- ***Infrastructure***

HGO is an operating mine and carbon in pulp processing facility with all required infrastructure already in place. Main elements of this infrastructure include:

- processing plant was originally designed for 1.0Mtpa throughput, with the quaternary crusher later added to expand capacity to 1.3Mtpa.
- A surface workshop used for major maintenance and weekly services for the mobile equipment fleet.
- Buildings, village, camp & associated infrastructure:
    - the camp was supplied new in 2008 and can accommodate 192 people in separate en-suite rooms; and
    - the village incorporates a kitchen/diner/crib room, wet mess including beer garden, admin/retail store, recreation room, gym, laundry and service facilities.
- Light Vehicles for the transportation of personnel on and around the mine properties.

- ***Environmental Studies***

In August 2006, a Flora study was conducted on the following tenements M15/351, M15/289, M15/225, M15/325 and P15/47. No Priority Species as defined by the Department of Environment and Conservation ("**DEC**") were located during the survey. Also in August 2006 ATA Environmental conducted a fauna survey of tenements M15/351, M15/289, M15/225, M15/325 and P15/478. The Carpet Python is the only herpetofauna species of conservation significance that occurs in the project area. Given that there is the potential for some rare and endangered species to occur on the leases Avoca will prior to any clearing activity assess for the following:

- A grid search for Malleefowl and their breeding mounds;
- Inspection of large hollow bearing trees for Major Mitchell cockatoo nests;
- Personnel are made aware of the presence of Carpet Pythons so that they can be relocated to suitable habitat.

The Baloo pit, recently commenced, required the following studies to be undertaken:

- Level 1 Vertebrate Fauna Risk Assessment for the Baloo Project Area (2015) prepared by Terrestrial Ecosystems
- Baloo Project: Salt Lake Ecological Survey (2016) prepared by Bennelongia Environmental Consultants

- Level 1 Flora and Vegetation survey of the Baloo Gold Project Prospect Proposed Access Corridor (2015) prepared by Vegetation Solutions

- Baloo Project Waste Rock Characterisation (2016) prepared by MBS Environmental

Additional, recently completed studies include:

- Vine in-pit TSF, Results of Groundwater Modelling (2019) prepared by Rockwater Hydrogeological and Environmental Consultants

- Desktop Biological Assessment and Broadscale Vegetation Mapping (2010) prepared by GHD

o ***Permitting and Compliance Activities***

HGO is an operating mine with a mineral processing facility and in possession of all required permits. HGO covers over 1,800 square km and has a significant disturbance footprint including tailings storage facilities, an operating processing facility, open pits, underground mines and haul roads.

A licence under the *Environmental Protection Act*, 1986 ("**EP Act**") is required to operate certain industrial premises, known as "prescribed premises". In addition, a works approval is required for any work or construction that will cause the premises to become prescribed premises, or for work or construction which may cause, or alter the nature or volume of, emissions and discharges from an existing prescribed premises. Key licences and approvals are listed below.

Reference	Approval	Date Commenced	Issued by	Expiry Date
L9155/2018/1 (Higginsville)	Licence relating to category 5 - Processing or beneficiation or metallic or non-metallic ore, 06 - mine dewatering and 054 - sewerage facility operations	18 September 2018	DWER	17 September 2024
GWL160795 (5) (Higginsville)	Licence to take water under section 5C of the Rights in Water and Irrigation Act 1914 (WA). Annual water entitlement 500,000 kL. Taking water for mining purposes and mineral ore processing and other mining purposes.	5 May 2014	DER	4 May 2024
GWL 201728(1)	Dewatering for mining purposes. Dust suppression for mining purposes. Mineral ore processing and other mining purposes. Amendment application to allow for the dewatering of the Baloo pit on M15/1814 lodged. Amendment granted on 6 May 2019 (licence amended from GWL 178699 to GWL 178699 to GWL2072728(1)	6 May 2019	DWER	5 May 2029
GWL181866 (Mt Henry and Selene)	Licence to take water 1,030,000 kL	16 April 2016	DWER	22 June 2026
CPSS7674/1	Clearing of Native Vegetation for	28 July 2018	DWER	31 July 2023

Reference	Approval	Date Commenced	Issued by	Expiry Date
(Fairplay and Two Boys)	the purpose of mineral Production			
CPS8152/1 (Baloo)	Clearing Native vegetation for the purpose of mineral production	27 October 2018	DWER	31 July 2023
GWL165489 (Chalice)	Dewatering for mining purposes. Dust suppression for mining purposes. Mineral ore processing	11 November, 2012	DWER	11 December 2022

The Higginsville premises licence, issued under the EP Act provides for the processing and beneficiation of metallic and non-metallic ore up to 1,900 ML per year. Conditions such as groundwater level and limits, monitoring, discharge and reporting requirements are set in the licences.

The Chalice groundwater licence has an allocation of 1,900 ML per year and allows for the dewatering of the Chalice open pit. The water is pumped 30 km to the Aphrodites' pit from which it is stored prior to pumping to the process mill. The Higginsville groundwater licence allows for dewatering of open pits and underground operations in close vicinity to the Higginsville processing plant.

The clearing permits for Baloo, Fairplay and Two Boys, allow for open pit mining to commence for these deposits.

Based on interrogation of the documentation provided as part of the RNC Due Diligence process and site visits conducted by RNC personnel, the author is satisfied that Higginsville has the required environmental and groundwater licences in place and that there is material compliance with the licence conditions.

- *Environmental Aspects, Impact and Management*

As part of the RNC acquisition of HGO, due diligence work undertaken by RNC in April/May 2019 found the HGO operation went through a period of non-compliance from April 2016 to Jan 2019. The non-compliance related to high standing water levels in a number of monitoring boreholes adjacent to active tailings storage facilities (TSF 1,2,3 and 4). All are now in compliance with TSF 1, 2, 3 and 4 no longer active and tailings currently being deposited into the Vine pit with plans for further in-pit storage to September 2020. The company is considering a number of additional options post September 2020.

The HGO site has a detailed environmental management plan that includes site specific processes and procedures. The site has a detailed record of the applicable legislation and legal requirements as well as various management and monitoring programs required to ensure compliance with legal and legislative compliance.

The author concludes that from an environmental aspect, RNC have put in place the appropriate processes and plans to meet their environmental requirements and commitments.

- *Social and Community*

The Higginsville region has a substantial history of exploration and mining. Gold was first discovered in 1905 with gold mining operations continuing sporadically throughout the 20th century and then recommencing in earnest in 1989. Additional mining activities included salt mining at Lake Lefroy during the 1960's to 1980's and nickel mining from the 1970's to the present. Higginsville operates within an environment of strong local community support.

The nearest town to Higginsville is Norseman, with a population of 581 (2016 Census), 52 km south of the Higginsville process facility. Kambalda with a population of 581 (2016 Census), is located 68 km via the Goldfields Highway to the north.

Kalgoorlie-Boulder has a population of 29,875 (2016 Census) and is located 60 km north of north of Kambalda. Kalgoorlie is the regional centre for the Eastern Goldfields and is a regional hub for transport, communications, commercial activities and community facilities.

All of the current workforce of approximately 56 persons is accommodated on site during their rostered- on periods. Most workers permanently reside in Perth and fly-in/fly-out ("**FIFO**") of Perth to attend site on either an 8 days-on/6 days-off or 14 days-on/7 days-off rotation. The FIFO workers are supplemented by workers who reside in closer regional towns such as Norseman, Kambalda, Kalgoorlie and Esperance. The nearest port is Esperance, 260 km south of Higginsville.

Higginsville experiences a semi-arid climate with hot dry summers and cool winters. Temperatures in the peak of summer typically range from a mean minimum temperature of 15°C to a mean maximum of 34°C. Temperatures during winter range from a mean minimum temperature of 6°C to a mean maximum of only 17°C, with occasional frosts.

Capital and Operating Costs

- ***Capital Costs***

HGO is an operating mine with all necessary infrastructure already in place and primary development to the various mining areas already established. Processing of mineralization is performed onsite by a carbon in pulp mill.

The mine is in operation, with no requirement for initial pre-production capital. As is customary for sustaining capital estimates, contingency has not been included.

Table 4 summarizes the intended capital spend for the period July 1, 2019 to December 31, 2019.

Table 4: Higginsville Capital Cost Estimate (July 2019 – December 2019)

Item	Units	2019
Capitalized Development	A$ 000s	820
Sustaining	A$ 000s	2,072
Total Capital	**A$ 000s**	**2,892**

- ***Operating Costs***

HGO mining operations budgeted operating costs for the period July 1, 2019 to December 31, 2019 are summarized in Table 5.

Table 5: Higginsville Operating Cost Estimate

Item	Units	July 1, 2019 to December 31, 2019 Total
Mineralization Mined	kt	241
Gold Mining [(1)]	A$/t	79.30
Mineralization processed	kt	634
Processing	A$/t	30.80 [(2)]
G & A	A$/t	3.16 [(3)]
Total Operating Costs	**A$/t**	**64.17** [(4)]
Total Operating Costs	**A$ 000s**	**40,688**

Notes:

1. Direct costs include mining and transportation.
2. Calculated on Higginsville Processing costs over mineralization processed.

3. Calculated on Higginsville Administration costs over mineralization processed.
4. Calculated on Total Higginsville Operating costs over mineralization processed.

In July, 2019 Pantoro Limited ("**Pantoro**") acquired a 50% interest in the Central Norseman Gold Project ("**CNGP**") from Central Norseman Gold Corporation Pty Ltd for a transaction cost involving cash and shares equating to approximately A$39/oz (50% share) or A$85M. Norseman has produced 6M ozs of gold since its discovery in 1894. The CNGP contains a current JORC compliant Mineral Resource of 4.4 million ounces of gold (www.pantoro.com: ASX release, May 14, 2019). The CNGP, which includes the historical Norseman gold deposits is located between and adjacent to HGO's Mt Henry gold project to the south and the bulk of the HGO tenements (including the mill) to the north.

Exploration, Development and Production

The HGO project encompasses approximately 1,800 km^2 of the prospective Norseman-Wiluna greenstone belt, located between the world-class gold mining centres of St Ives (+14Mozs) and Norseman (6Mozs).

The HGO project area also overlies three of the richest mineralised regional shear zones in the Eastern Goldfields – Boulder-Lefroy, Zuleika and Speedway. The Boulder Lefroy controls the Golden Mile deposit of Kalgoorlie (60Mozs) and the St Ives gold camp (14Mozs). The newly discovered Invincible deposit (1.3Mozs) found in 2012 is controlled by the poorly explored Speedway shear, while the Zuleika is associated with the Kundana and Mt Marion (1.2Mozs) deposits to the north. In the last 15 years, the Project area has delivered significant discoveries – Trident in 2004 (1Mozs) and the Polar Bear deposits, including Baloo, in 2015. Trident was discovered testing down plunge extensions to a known deposit (Poseidon Sth) while Baloo was discovered by S2 using reconnaissance aircore, highlighting the potential for early stage exploration to still deliver new discoveries in a "mature" goldfield. The area of the Baloo discovery remains relatively unexplored due to it being largely concealed by the shallow salt lake sediments.

The Project has a large number of prospects at various stages of progress to deliver a resource. The exploration team at HGO has used a milestone based system to rank and target these prospects. Very little greenfields exploration has occurred in recent years with drilling focusing on upgrading existing resources, eg., Mt Henry.

Under a rejuvenated exploration program there is the opportunity to follow-up on numerous targets already identified. Examples of preliminary early stage targets would include:

- Scoping out the size and drill testing the extent of known paleochannel mineralization – 350kozs mined to date;
- Targeting another Invincible deposit on the Speedway shear; and
- Following up and extending the exploration activity, including additional aircore drilling targeting the Baloo trend.

A production decision at HGO was made by previous operators of the mine, prior to the completion of the acquisition of HGO by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision were 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, which include 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 anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Company's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

C. DUMONT NICKEL-COBALT PROJECT

Overview

Unless otherwise indicated, information in this section is summarized or extracted from the technical report titled: "Technical Report on the Dumont Ni Project, Launay and Trécesson Townships, Quebec, Canada" completed on July 11, 2019 with an effective date of May 30, 2019, as amended and restated on December 19, 2019 (the "**Dumont Nickel-Cobalt Project Technical Report**"). Portions of the following information are based on assumptions, qualifications and procedures which are set out only in the full Dumont Nickel-Cobalt Project Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Dumont Nickel-Cobalt Project Technical Report which is available for review under the Company's profile on SEDAR at www.sedar.com.

The authors of the Dumont Nickel-Cobalt Project Technical Report are L.P. Staples, P. Eng. (Ausenco Services Pty Ltd.), T. Zwirz, P. Eng (Ausenco Engineering Canada), J-M. Lepine, P. Eng (Ausenco Engineering Canada), D.P. Penswick, P. Eng (Independent Consultant), C.C. Scott, P. Eng. (SRK Consulting (Canada) Inc.), C. Protupilac, P. Eng (SRK Consulting (Canada) Inc.), B.A. Murphy, FSAIMM (SRK Consulting (Canada) Inc.), V.J. Bertrand, geo (Golder Associates) M. Mailloux, Eng. (Golder Associates Ltd.), V Tran , geo (Wood), JP. Lutti, Eng. (Wood) and S. Latulippe, Eng. (WSP Global Inc.), each of whom is "independent" of RNC and a "Qualified Person", as defined in NI 43-101. The Dumont-Nickel Technical Report was filed under the Company's SEDAR profile at www.sedar.com. All amounts expressed in this section of Appendix A are in Canadian Dollars unless otherwise noted.

Property Description, Location and Access

The Dumont Nickel-Cobalt Project, which is strategically located in the established Abitibi mining camp, 25 km northwest of Amos, Quebec, consists of 235 contiguous mineral claims totalling 9,393 ha (the "**Dumont Nickel-Cobalt Project**"). The mineral resource is located mainly in Ranges V, VI and VII on Lots 46 to 62 of Launay township, and in Range V on Lots 1 to 3 of Trecesson township.

Amos has a municipal airport but is not serviced by regularly scheduled commercial flights. The nearest cities with airports serviced by regularly scheduled flights are Rouyn-Noranda (2016 Census population 42,334), which is 120 km by road to the southwest, and Val d'Or (2016 Census population 33,871), which is 90 km by road to the southeast. Both Rouyn-Noranda and Val d'Or have traditionally been centres for the mining industry, and there is a large base of skilled mining personnel resident within the region.

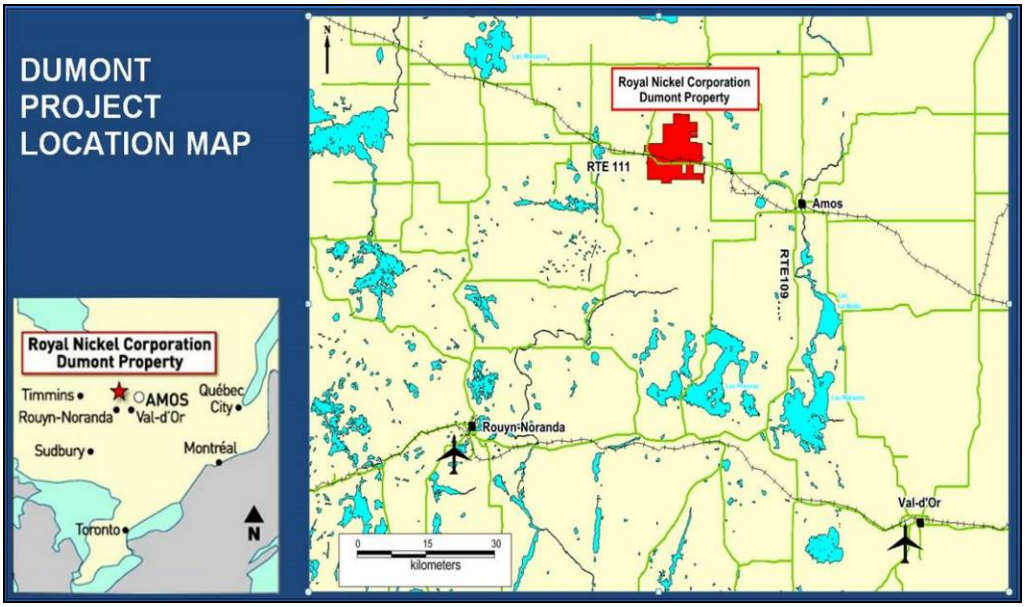
The project site is well serviced with respect to other infrastructure, including:

- Road – Provincial Highway 111 runs along the southern boundary of the property.
- Rail – The Canadian National Railway ("**CNR**") runs through the property, slightly to the north of Highway 111 but south of the engineered pit.
- Power – The provincial utility, Hydro-Québec, has indicated that it would be feasible to extend the powerline to site from the high voltage line that runs 5 km south of Highway 111 and that power from the grid would be made available to the project.
- Water – The project concept includes a closed system for water, with water that would be reclaimed from tailings being reused in the process plant.
- Natural Gas – Although the use of natural gas is not considered in the Feasibility Study, an existing pipeline extends to within approximately 25 km to the south of the property.

The Dumont Nickel-Cobalt Project exhibits low to moderate relief up to a maximum of 40 m and lies between 310 and 350 m above sea level. The Arctic-Atlantic continental drainage divide runs along the northern boundary of the

property. Water for the diamond drilling programs is obtained from several creeks which run through the property and is generally pumped to the drill sites. However, fresh water can also be supplied by the nearby Villemontel River. Wildlife on the property consists of moose, black bear, beaver, rabbit and deer. Some logging has been conducted on the property with the wood being used primarily for pulp.

Figure 1: Dumont-Nickel Cobalt Project Location



On April 20, 2017, the Company completed a joint venture transaction with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Onshore Master, LP (collectively, "**Waterton**"). Under the terms of the transaction, Waterton acquired a 50% interest in the Dumont Nickel-Cobalt Project, which is now held by Magneto Investments Limited Partnership ("**Magneto**") for US$22.5 million (C$30 million) in cash (the "**Dumont JV**"). RNC and Waterton each injected US$17.5 million (for a total of US$35 million) into Magneto with the objective of acquiring high quality nickel assets globally. The Company currently has 28% in the Dumont JV.

- ***Mineral Tenure***

The mineral properties comprising the Dumont Nickel-Cobalt Project are all mineral claims. The Dumont JV holds a 100% beneficial interest in seven claims. Beneficial interest in the remaining 228 claims is held 98% by the Dumont JV and 2% by Ressources Québec Inc. ("**RQ**"), a subsidiary of Investissement Québec, and held under the terms of the investment agreement entered into by the Company and RQ on August 1, 2012 (the "**RQ Investment Agreement**").

- ***Underlying Agreements***

The Dumont Nickel-Cobalt Project mineral claims are subject to various royalty agreements arising from terms of the property acquisitions by RNC or through the sale of royalties. The details of the underlying agreements are described below.

  - *Marbaw Property and Royalty*

The Marbaw International Nickel Corporation ("**Marbaw**") property comprises an area totalling 2,639.0 ha. This area originally consisted of 65 claims. Thirty-four of these claims were ground-staked claims that were converted to map-staked claims by the Quebec Ministry of Natural Resources ("**MNR**") in 2013.

This property was originally held by Marbaw, but RNC acquired a 100% interest in the claims was sold and transferred to RNC under an agreement dated March 8, 2007 for consideration that included future consideration. Future consideration consisted of the following: (1) issuance of 7 million common shares in RNC to Marbaw upon the satisfaction of certain conditions (such conditions, other than the receipt by RNC from Marbaw requesting that these shares be issued, have been satisfied); and (2) payment of $1,250,000 to Marbaw on March 8, 2008 (this amount has been paid).

RNC also committed to incur a minimum expenditure of $8,000,000 on the property. This commitment was satisfied in 2008. The Marbaw property is subject to a 3% NSR (now held by Magneto) royalty payable to Marbaw. Half of this 3% NSR may be re-purchased for $10,000,000.

This property is also subject to the RQ Royalty and the Cobalt 27 Royalty described below.

- *BatteryOne Property and Royalty*

The Sheridan-Ferderber property comprises an area of 256.47 ha corresponding to six historical contiguous ground-staked claims. The claims corresponding to the Sheridan-Ferderber property were converted to map staked claims by the MNR in 2013.

The property was originally held 50% by Terrence Coyle and 50% by Michel Roby, but it was optioned to Patrick Sheridan and Peter Ferderber under an agreement dated October 26, 2006. The option agreement was subsequently assigned to RNC through an agreement dated May 4, 2007.

RNC's option to acquire 100% interest in this property was exercised by the completion of $75,000 in work on the property before October 26, 2008 and by paying $10,000 to Coyle-Roby by October 26, 2007 and $30,000 to Coyle-Roby by October 26, 2008. The claims were transferred 100% to RNC on August 25, 2008.

Following the exercise of the Coyle-Roby Option, the property is subject to a 2% NSR royalty payable to Terrence Coyle (1%) and Michel Roby (1%). On Jan. 22, 2019, BatteryOne Royalty Corp. ("**BatteryOne**") announced that the had purchased this royalty from Coyle-Roby. Half (50%) of this 2% NSR may be repurchased for $1,000,000 at any time. An advance royalty of $5,000 per year is also payable to beginning in 2011. Scheduled royalty payments have been made annually in October since 2011.

These claims are also subject to the RQ Royalty and the Cobalt 27 Royalty described below.

- *Frigon-Robert Property and Royalty*

The Frigon-Robert property comprises two contiguous claims totalling 83.84 ha. The claims were originally held 50% by Jacques Frigon and 50% by Gérard Robert. They were transferred to RNC through a purchase agreement dated November 1, 2010.

The property is subject to a 2% NSR royalty payable to Jacques Frigon (1%) and Gérard Robert (1%). Half (50%) of this 2% NSR may be re-purchased for $1,000,000.

These claims are also subject to the RQ Royalty and the Cobalt 27 Royalty described below.

- *Pershimco Property and Royalty*

The Pershimco property comprises five claims totalling 195.64 ha. The claims were originally held 100% by Pershimco Resources. They were transferred to RNC through a purchase agreement dated March 18, 2013 for $30,000. These claims are subject to a 3% NSR royalty payable to Pershimco Resources. The NSR may be bought back in stages at any time by paying $1,000,000 for the first percent, $3,000,000 for the second percent and $6,000,000 for the third percent.

As these claims were acquired after the RQ Investment Agreement, they are not subject to the RQ Royalty. These claims are, however, subject to the Cobalt 27 Royalty.

- *RQ Royalty*

On August 1, 2012, RNC entered into the RQ Investment Agreement with RQ. Pursuant to the agreement, RNC received $12 million and RQ became entitled to receive 0.8% of the net smelter return from the sale of minerals produced from the Dumont Nickel-Cobalt Project and acquired a 2% undivided co-ownership interest in the property (collectively, the "**RQ Royalty**"). At any time after August 1, 2017, the Dumont JV has the right to acquire all or a portion of the 0.8% NSR for a price of $10 million per 0.2% increment. Upon acquisition by the Company of the full 0.8% NSR, the 2% undivided co-ownership interest will be re-conveyed to the Company. The RQ Royalty applies to all Dumont Nickel-Cobalt Project claims except the five Pershimco claims that were acquired after the RQ Investment Agreement.

- *Cobalt 27 Royalty*

On May 9, 2013, RNC closed a royalty financing with Red Kite. Pursuant to a Net Smelter Returns Royalty Agreement dated May 10, 2013 (the "**Red Kite NSR Agreement**"), Red Kite (through 8248567 Canada Limited) acquired a 1% net smelter return royalty in the Dumont Nickel-Cobalt Project for a purchase price of US$15 million (the "**Red Kite Royalty**").

On July 8 2015, Royal Nickel closed a royalty and private placement transaction with Orion Mine Finance ("**Orion**"). RNC received gross proceeds of US$10 million from Orion in exchange for a 0.75% net smelter return royalty in the Dumont Project and 10 million RNC common shares (issued at $0.395 per share. RNC has the right to re-purchase 50% of the royalty (0.375%) for a cash payment of US$15 million on the 3rd, 4th or 5th anniversary of closing.

On February 22, 2018 Cobalt 27 Capital Corp. ("**Cobalt 27**") announced that it had agreed to acquire these existing royalties totalling 1.75% Net Smelter Return ("**NSR**") royalty on all future production over all metals from the Dumont Nickel-Cobalt Project. Consequently, Cobalt 27 now holds an aggregate 1.75% NSR royalty that contains a US$15 million buyback right to the Dumont JV 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.

The Cobalt 27 Royalty applies to all claims comprising the Dumont Nickel-Cobalt Project.

- ***Exploration Permits & Authorizations***

Exploration work on public land (Crown land) is conducted under a forestry operational permit granted by the Quebec Ministry of Natural Resources and Wildlife ("**MNRF**") and renewed periodically. Exploration work on agricultural zoned lands is conducted under a permit granted by the Quebec Agricultural Land Commission ("**CPTAQ**"). Exploration work on private surface rights not owned by RNC is conducted under the terms of access agreements between RNC and individual landowners. Stream crossings have been constructed under permits issued variously or jointly by the MNRF, CPTAQ, and the Quebec Ministry of Sustainable Development, Environment and Parks ("**MDDEP**"). On June 25, 2015, the Company received the Certificate of Authorization for the Dumont Nickel-Cobalt Project from MDDEP. This authorization is the most significant permit for mining projects in Quebec and positions Dumont to proceed to construction upon completion of financing. .

On July 30, 2015, the Company announced the receipt of a positive Environmental Assessment Decision for the Dumont Nickel-Cobalt Project from the Federal Minister of the Environment. The Minister has determined that the project is not likely to cause significant adverse environmental effects with the implementation of the mitigation measures outlined in the Comprehensive Study Report and has therefore referred the project back to the responsible authorities, Fisheries and Oceans Canada and Natural Resources Canada, for the issuance of permits.

RNC is not aware of any formal native land claims on the territory of the Dumont Nickel-Cobalt Project within the St. Lawrence drainage basin. Algonquin First Nations, however, assert aboriginal rights over parts of western Quebec and eastern Ontario. Consultation with First Nations is a responsibility of the federal and provincial governments. Nonetheless, RNC initiated discussions with the local Algonquin Conseil de la Première nation Abitibiwinni and on April 5, 2013 entered into a memorandum of understanding for cooperation regarding the development of the Dumont Nickel-Cobalt Project. On May 2, 2017, the Company and the Abitibiwinni First Nation (AFN) announced the signing of an Impact and Benefit Agreement ("**IBA**") for the Dumont Nickel-Cobalt Project. The IBA serves as a framework to govern the relationship with the AFN and lays out the commitments of the parties regarding the impacts and benefits of the Dumont Project. The parties to the IBA are the AFN and the RNC-Waterton nickel joint venture.

- ***Mineral Rights in Quebec***

Under Quebec mining law, the holder of a claim has the exclusive right to explore for mineral substances (other than petroleum, natural gas and brine, sand, gravel and other surfaces substances) on the parcel of land subject to the claim. A claim has a term of two years. It may be renewed for additional periods of two years by completing minimum exploration work requirements and paying renewal fees. The holder of one or more claims may obtain a mining lease for the parcels of land subject to such claims, provided the holder can prove the existence of a workable deposit on the property.

The mineral claims confer subsurface mineral rights only. Approximately 40% of the surface rights for the property are held privately by a number of owners, resident both in the area and outside the region. To date, RNC has purchased or acquired options to purchase 100% of the private surface rights required for the development of the Dumont Nickel-Cobalt Project. The remainder of the surface rights are public land (Crown land).

A portion of the Dumont Nickel-Cobalt Project claims underlie surface rights that are classified as an agricultural zone within the meaning of the Act respecting the preservation of agricultural land and agricultural activities, RSQ, c P-41.1. Exclusion of these lands from the agricultural zone, which is required to conduct mining activity on these lands, has been granted by the CPTAQ. Exclusion of adjacent lands that form a buffer zone to the project is pending. Use of surface rights for mining and associated activities under the terms of a mining lease is subject to environmental permitting and public consultation. Access to surface rights for private lands would be obtained by negotiating purchase from private surface rights holders. Access to surface rights for public lands would be obtained through the mining lease and surface lease processes. Prior to commencing any mining, the operator of a mine or mill on the land subject to a lease must submit a rehabilitation and restoration plan for the site and deposit a financial guarantee. No compensation may be claimed by the holder of a mining claim from the holder of a mining lease for the depositing of tailings on the parcel of land that is subject to the claim. As a result of amendments to the *Mining Act* (Québec) subsequent to the completion of the Feasibility Study, granting of a mining lease by the Ministry of Natural Resources requires prior granting of the environmental certificate of authorization, public consultation conducted by the Bureau d'audiences publiques sur l'environnement ("**BAPE**"), approval of the mine site rehabilitation and restoration plan and submission of a scoping and market study on the processing of ore in Quebec.

- ***Environmental Liabilities***

Neither the authors of the Feasibility Study nor RNC is aware of any outstanding environmental liabilities attached to the Dumont Nickel-Cobalt Project and neither is able to comment on any remediation that may have been undertaken by previous companies.

History

While the presence of ultramafic and mafic rocks has been known on the property comprising the Dumont Nickel-Cobalt Project since 1935, the presence of nickel within the rock sequence was only discovered in 1956. It was not until the 1970s that the existence and potential of the large low-grade nickel mineralization was first recognized.

The major exploration phases for the Dumont Nickel-Cobalt Project are discussed below with the exploration and associated work listed in point form by year.

- ***Phase 1: 1935 to 1969***

The exploration programs and geological surveys during this period led to the discovery of the Dumont ultramafic sill and associated nickel mineralization.

In 1935, the Geological Survey of Canada ("**GSC**") conducted a mapping survey over Launay and Trécesson Townships that identified the presence of ultramafic and mafic rocks.

In 1950, Quebec Asbestos Corporation ("**Quebec Asbestos**") conducted a magnetometer survey over the upper contact of the sill and drilled five diamond drill holes totalling 475 m.

In 1951, an aeromagnetic survey conducted by the GSC outlined the ultramafic sill.

In 1956, Barry Exploration Ltd. conducted a magnetometer survey over the group of claims previously explored by Quebec Asbestos and drilled a further six diamond drill holes. These drill holes resulted in the first reporting of the presence of nickel mineralization.

- ***Phase 2: 1969 to 1982***

The exploration programs and related geological and engineering studies during this period resulted in the identification of three zones of nickel mineralization.

In 1969, drill holes DT-1 and DT-2, totalling 182 m, were drilled over a group of mineral claims acquired in 1962 by Georges H. Dumont, P. Eng.

In 1970, drill holes DT-3 and DT-4, totalling 364 m, were drilled on an enlarged group of claims with nickel mineralization intersected in each drill hole (DT-3: 0.47% Ni over 2.7 m). Additional mineral claims were acquired to form what was then known as the Dumont property covering the whole of the Dumont ultramafic sill.

In 1970-1971, an enlarged exploration campaign was carried out on the Dumont property that consisted of prospecting, trenching, magnetometer survey and the drilling of an additional 57 diamond drill holes, totalling 21,052 m. The drilling program discovered three zones of nickel mineralization that were nearly adjacent and parallel within the dunite subzone. The central part of the middle zone, having a higher nickel content, was identified as the Main Zone or Main deposit. A portion of the Main Zone is also referred to as the No. 1 deposit where it is defined as the middle mineralized band located between sections 35+00W and 49+00W and located between surface and the 1,500 ft (457.18 m) level.

In 1971, Newmont Exploration Ltd. ("**Newmont**") conducted metallurgical testwork (heavy media and magnetic separation only) and a mineralogical study on the mineralization. Also in that year, Canada Department of Energy, Mines and Resources, Ottawa, conducted a "Mineralogical Investigation of the Low-Grade Nickel-Bearing Serpentinite of Dumont Nickel Corporation, Val d'Or, Quebec," a study that involved XRD and electron microprobe analysis of the nickel-bearing phases.

In 1971-1972, the Centre de Recherches Minérales ("**CRM**") carried out a laboratory testwork program on drill core composite samples from the Main Zone, including locked-cycle tests to develop the flowsheet for the concentration process. Pilot plant tests were also conducted on a bulk sample, blasted out of an outcrop located to the east of the Main Zone.

In 1971-1972, the engineering firm Caron, Dufour, Séguin & Associates ("**CDS**") completed an ore reserve estimation and feasibility study on the project with the objective of bringing the Main deposit into production, to a depth of 455 m below surface using underground mining methods. The mineral resources of the Main deposit were estimated at 15,517,662 tonnes grading 0.646% nickel after dilution. Based on the results of the feasibility study, CDS recommended that the Main deposit be brought into production.

In 1974-1975, in association with Dumont Nickel Corporation, Timiskaming Nickel Ltd. ("**Timiskaming**") paid for bench and pilot plant tests to be conducted at the University of Minnesota to evaluate the amenability of the low-grade resources to a patented process. Timiskaming and Boliden AB, which evaluated the testwork results, concluded positively that the project had economic potential for a 13,600 t/d open pit mining operation on the estimated 320 Mt of resources at 0.34% nickel, from which the patented segregation process would recover 75% of the nickel.

In 1974, Canex Placer had bench tests conducted at Britton Research Centre Ltd., where a combined flotation-hydrometallurgical process was developed to recover 80% of the nickel contained in the Main Zone. The testwork indicated that this process would also result in the production of magnesia (MgO).

After 1974, with lower nickel prices in the world market, there was reduced interest in developing the property due to the low-grade nature of the deposit.

- ***Phase 3: 1982 to 1992***

In 1982, exploration resumed on the property and four percussion 15.2 cm (6") diameter holes were drilled and cuttings recovered to prepare a bulk sample.

In 1986, CRM conducted, for the account of Magnitec, a H_2S0_3 leaching test on samples of "rejects from the Dumont mine" to evaluate the possibility of scrubbing the Noranda smelter SO_2-bearing gas with the tailings from an eventual mining operation on the property. The test solubilized 66% of the MgO and 72.4% of the nickel contained in the samples. Magnitec also tested two core samples for their platinum group element ("**PGE**") content but none was detected.

In 1986, La Société Nationale de l'Amiante reviewed the results of the CRM H_2S0_3 leach test and indicated that the tailings from an operation on the Dumont property would give a low extraction rate of the SO_2 contained in the Noranda smelter emission gas.

In 1986, J. M. Duke, a geologist from the GSC, studied the mineralization and petrogenesis of the Dumont sill. From his understanding of the sill petrogenesis, Duke concluded that it was possible to discover sulphide enrichment zones at the basal contact of the intrusion and recommended that drilling should be conducted to explore this contact. In his 1986 report, Duke estimated the potential resources for the Dumont property at 175 Mt grading 0.47% nickel over the three nickel enriched layers.

In 1986 and 1987, Dumont Nickel Corporation carried out a geological mapping survey along the basal contact of the sill and drilled 11 holes in mineral claims located in Trécesson Township. Sulphide mineralization was recognized at the basal contact and a relatively high-grade nickel sulphide accumulation was intersected by four holes that also returned significant PGE values. Three holes drilled in the central part of the Dumont property were stopped short due to poor ground conditions in a faulted area.

In 1988 and 1990, Beep Mat (electromagnetic) and induced polarization surveys were carried out for Dumont Nickel Corporation and various anomalies were reported.

In 1992, CRM conducted dry grinding and air aspiration tests to separate the fibrous texture minerals, for the account of Timmins Nickel Inc. ("**Timmins Nickel**").

After 1992 exploration interest in the Dumont property waned and no work was conducted on the property for a number of years.

- ***Phase 4: 1999 to 2006***

Since 1999, the following exploration work has been conducted on the Dumont property on behalf of Frank Marzoli.

In 1999, diamond drill hole FM-99-01 was drilled on the southwest of the Main deposit. This 318 m drill hole intersected the basal sill contact but no significant mineralization was encountered.

In 2001, geological and prospecting work was carried out together with the establishment of a network of cut grid lines totalling 96 km.

In 2002, a 150 m long diamond drill hole (DNN-2002-01) was drilled in the northwest portion of the property; however, no core samples were assayed from this hole.

In 2003, a 125 m long diamond drill hole (DNS-03-01) was positioned on section line 36+00 W. This drill hole was successful in intersecting the upper part of the Main deposit and returned a 19.2 m drill core intersection grading 0.56% nickel.

In 2004, diamond drill hole DNN-01-04 was drilled to a length of 125 m in the northwestern portion of the property with no significant results obtained from the eight 2.5 m long core intersections that were assayed.

In 2004, J.C. Caron, P.Eng, former principal of CDS and then with Les Consultants PROTEC, prepared a valuation report on the property in accordance with CIM valuation standards and guidelines.

There was no exploration activity from 2005 to 2006.

- ***Phase 5: 2007 to Present***

RNC acquired the property in 2007 and initiated field exploration work in March 2007.

After Dumont was acquired by RNC, a conceptual study was completed by Aker Solutions in October 2007 and updated in August 2008. The initial report was based on historical resource estimates, which pre-dated the requirements of NI 43-101. These estimates were supported by five new twinned holes, which demonstrated that the historical assays (on which the earlier resource estimates were based) were comparable to results obtained from the twin holes. The independent resource consultants (Micon) considered the historical estimates to be relevant for the purposes of the study.

An updated conceptual study was completed based on a revised NI 43-101 compliant resource estimate prepared by Micon in April 2008, which incorporated 38 holes of new drilling as well as historical drilling. The resource model used a block size of 10 m (X) x 25 m (Y) x 10 m (Z) and an inverse distance interpolation. The bulk of material included in the conceptual study mine plan was classified as inferred resources.

The conceptual study considered two scopes of open pit design, a smaller pit (50 kt/d concentrator) and a larger pit (75kt/d concentrator). The conceptual study concluded that the 75 kt/d option generated more attractive economics and that the project was potentially robust.

Following the positive results of the conceptual study, a Preliminary Assessment was completed in September 2010.

Following the positive results of the Preliminary Assessment, Ausenco was commissioned by RNC to complete a pre-feasibility study, which was completed in December 2011 ("**Pre-Feasibility Study**").

Following the positive results of the Pre-Feasibility Study, Ausenco was commissioned by RNC to complete a revised pre-feasibility study, which was completed in June 2012 (the "**Revised Pre-Feasibility Study**").

- ***Historical Mining and Production***

No historical mining or production has been conducted on the Dumont Nickel-Cobalt Project. However, the Val d'Or - Rouyn-Noranda region surrounding the Dumont Nickel-Cobalt Project has been a prolific mining area for the past 100 years.

- ***Prior Resource Estimates***

Several mineral resource estimates have been completed for the Dumont Nickel-Cobalt Project, including in April 2008, October 2008, April 2010, August 2010, December 2011 and April 2012. RNC's updated resource model as estimated by SRK is discussed below.

Geological Setting, Mineralization and Deposit Types

- ***Gelogical Setting***

  - *Regional Geology*

The Dumont Nickel-Cobalt Project lies within the Abitibi subprovince of the Superior geologic province of the Archean age Canadian Shield. A thick supracrustal succession of Archean volcanic and sedimentary rocks underlies about 65% of the Abitibi belt, and there is evidence to suggest that these supracrustal rocks lie unconformably upon a basement complex of sialic composition. The volcanic rocks are mainly of mafic composition although ultramafic, intermediate and felsic types are also present. The abundance of pillowed and nonvesicular lavas, together with the flyschoid character of much of the sedimentary component, demonstrates the prevalence of deep submarine conditions. However, the occurrence of some fluvial sedimentary rocks and airfall tuffs attest to occasional local non-marine conditions. Numerous small to medium sized synvolcanic intrusions reflect the range of compositions of the lavas themselves.

The supracrustal rocks were deformed and intruded by granitic stocks and batholiths during the Kenoran event about 2,680 to 2,700 million years ago. Folding along generally east-trending axes has commonly produced isoclinal structures. Regional metamorphism is predominantly greenschist and prehnite-pumpellyite facies except in the contact aureoles of the Kenoran granites where amphibolite grade is usually attained. The amphibolite facies metamorphism also occurs in the sedimentary rocks of the Pontiac Group. Two main sets of diabase dykes occur in the Abitibi belt; the north-trending Matachewan swarm and northeast-trending Abitibi swarm which have Rb-Sr ages of 2,690 and 2,147 million years, respectively. The latter are prominent near the Dumont intrusion, although none is known to have cut the body.

The Dumont sill is hosted by lavas and volcaniclastic rocks assigned to the Amos Group. The lavas may be traced eastwards through the town of Amos and are part of the Barraute volcanic complex. Three cycles of mafic to felsic volcanism are recognized and the Dumont sill is one of at least five ultramafic-mafic complexes in the Amos area, which occur at approximately the same stratigraphic level within the mafic lavas of the middle cycle. The host rocks of the sill are for the most part iron-rich tholeiitic basaltic lavas although some intermediate rocks are known to occur at the body at its eastern end of the sill.

Although the volcanic rocks have been folded and now dip steeply, a penetrative deformational fabric is only locally developed. In the vicinity of the Dumont sill, pillows in the lavas are not strongly deformed and primary textures such as "swallow-tail" plagioclase microlites are preserved. However, the chemical compositions of many of the rocks are highly altered with many rocks containing significant levels of CO_2. Three main directions of faulting are recognized in the Amos area with the earliest being the east-trending set of "bedding plane" faults which are believed to have developed during the major period of folding. The second set of faults occurred during the intrusion of the granitic rocks, which was accompanied by the development of steeply dipping faults that strike north to northwest. However, the most prominent faults strike northeast and probably postdate the granitic plutonism with the Dumont sill cut by a number of these northeast, northwest and east-trending faults.

  - *Project Area Geology*

The Dumont Nickel-Cobalt Project is covered by a layer of glacial overburden and muskeg. Mineralization subcrops approximately 30 m below the surface. Contacts between the Dumont sill and its host rocks have not been observed in outcrop but, in overall attitude, the body appears to be conformable to the layering of the volcanic rocks. This is consistent with the interpretation of the Dumont ultramafic body as a sill, but is also consistent with alternate

interpretations for conformable ultramafic bodies that occur in ophiolitic associations. Pillowed basalts exposed at the eastern end of the sill clearly indicate a northeast facing direction.

Offsets in the magnetic contours and internal stratigraphy of the ultramafic zone along with oriented drill hole data have provided evidence for a number of faults at a high angle to the long axis of the sill consistent with the northeast, northwest and east-trending regional faults. Structural logging has also identified several faults parallel to the strike of the intrusion. Based on other offsets in mineralization and alteration, there are undoubtedly other faults which have not yet been recognized.

The sill, considered to be a layered mafic-ultramafic intrusion is comprised of a lower ultramafic zone and an upper mafic zone. Although less than 2% of the bedrock surface of the intrusion is exposed in outcrop, the boundaries of the ultramafic zone can be drawn with some confidence based on a magnetometer survey and diamond drilling.

Based on the identified prominent northwest (NW) and northeast (NE) trending faults, the sill can be divided into structural blocks/domains. The true thickness of the upper mafic and lower ultramafic zone varies by location or fault block though the sill. The north-western end of the body has not been outlined precisely; however, the ultramafic zone is a lenticular mass at least 6,600 m in length with an average true thickness of 450 m, with a maximum of 600 m in the central region to a minimum of 150 m in the extreme southeast. The true dip of the ultramafic zone also varies with location in the sill from 60° to 70°. The extent of the mafic zone is much less well defined due to the low density of drill hole data intersecting this zone and its contact with the host rock. An estimated thickness of 200 m is given to this unit based on the limited drill hole data and outcrop locations. No feeder to the Dumont sill has been observed to date.

Two types of mineralization have been identified historically within the Dumont sill, the primary, large low-grade to medium-grade disseminated nickel deposit and the contact type nickel-copper-PGE occurrence discovered in 1987. Drilling by RNC has also identified discontinuous PGE mineralization associated with disseminated sulphides at lithological contacts in the layered intrusion and within the dunite.

The ultramafic rocks have been serpentinized to varying degrees from partial to complete serpentinization. Along the basal contact of the sill (outside the resource envelope) serpentinization is frequently overprinted by varying degrees of talc-carbonate alteration. The predominant secondary assemblage is lizardite + magnetite + brucite + chlorite + diopside ± chrysotile ± pentlandite ± awaruite ± heazlewoodite. Antigorite is developed locally, particularly in the uppermost ultramafic zone. Native copper occurs in and along major fault systems and alongside intercumulus nickel sulphide and awaruite mineralization, more frequently this has been observed in zones that are partially serpentinized. Trace millerite can occur in the steatitized rocks of the basal contact zone and more rarely in large fault zones. The mafic zone is ubiquitously altered to the assemblage actinolite + epidote + chlorite ± quartz. Primary textures are pseudomorphously preserved throughout most of the intrusion.

Serpentinization proceeded isovolumetrically on the microscopic scale. On the microscopic scale, serpentinization was isochemical. However, on the whole, as the major elements are re-partitioned into new phases during the process, with the addition of hydrogen, oxygen (water) and chlorine to the system, some phases can be dissolved and transported. The extent of this process is not well described in literature; however, within the Dumont sill, RNC has observed some evidence (areas of lower than expected whole rock assays) indicating losses to the system, namely calcium and sulphur.

The textures and assemblages of the secondary minerals are indicative of retrograde, low temperature (<350°C) alteration that may well have occurred as a result of an influx of water during the initial cooling of the intrusion. The sill was faulted and tilted into a steeply inclined attitude during the Kenoran event but no penetrative deformational fabric is evident, and the effects of regional metamorphism are minimal.

The age of the Dumont sill is not explicitly known. In early 2010, the Geological Survey of Canada (GSC) attempted to date the upper mafic zone, but was unsuccessful due the lack of dateable minerals. The conformable nature of the body, together with the character of its differentiation, suggests that it was emplaced as a virtually horizontal sill that was folded and faulted during the Kenoran event. It is reasonable to conclude that the Dumont sill is of late Archean age, but is only slightly younger than the enclosing lavas; that are approximately 2,700 million years.

- ***Mineralization***

    - *Disseminated Nickel Mineralization*

Nickel-bearing sulphides and a nickel-iron alloy are enriched (grades > 0.35% nickel) in stratiform bands within the dunite subzone and are also broadly disseminated at lower concentrations throughout the dunite and lower peridotite subzones. The number and thickness of these bands varies from place to place in the deposit. Nickel sulphide and alloy concentrations decrease gradationally away from the centre of these bands toward the interband zones where mineralization continues at lower concentrations. The total nickel contained in these rocks occurs in variable proportions in sulphides, alloy and silicates depending on primary magmatic nickel mineralogy and the degree of serpentinization of the rock.

Disseminated nickel mineralization is characterized by disseminated blebs of pentlandite ($(Ni,Fe)_9S_8$), heazlewoodite (Ni_3S_2), and the ferronickel alloy, awaruite ($Ni_{2.5}Fe$), occurring in various proportions throughout the sill. These minerals can occur together as coarse agglomerates, predominantly associated with magnetite, up to 10,000 µm (10 mm), or as individual disseminated grains ranging from 2 to 1,000 µm (0.002 to 1 mm). Nickel can also occur in the crystal structure of several silicate minerals including olivine and serpentine.

The observed mineralogy of the Dumont Nickel-Cobalt Project is a result of the serpentinization of a dunite protolith, which locally hosted a primary disseminated (intercumulus) magmatic sulphide assemblage. The serpentinization process whereby olivine reacts with water to produce serpentine, magnetite and brucite creates a strongly reducing environment where the nickel released from the decomposition of olivine is partitioned into low-sulphur sulphides and newly formed awaruite. Nickel also occurs in remnant olivine and newly formed serpentine with the concentration of nickel in these minerals being dependent on the degree of serpentinization of the rock.

Millerite (NiS) is rare, but can be present in lesser amounts near host rock contact zones and in major fault zones. It typically occurs as fine secondary overgrowths, characteristically overprinting pentlandite and heazlewoodite in intercumulus blebs.

Mineralized zones containing pentlandite, awaruite, and heazlewoodite, are classified as the following mineralization assemblages: sulphide dominant, alloy dominant and mixed. RNC's mineralogical sampling program provides a quantitative analytical measure of the whole-rock mineralogy on a crushed and homogenized 1.5 m core sample, which is the basis for understanding the combination of nickel mineral phases that constitutes these three assemblages.

- Alloy mineralization is dominantly awaruite ± lesser heazlewoodite ± lesser pentlandite.
- Mixed mineralization consists of sulphides and alloy in similar proportions. Specific sub-types are heazlewoodite and awaruite in similar proportions; pentlandite and awaruite in similar proportions; or heazlewoodite + pentlandite and awaruite in similar proportions.
- Sulphide mineralization is dominantly heazlewoodite and/or pentlandite, with or without lesser awaruite.

As noted above, nickel in silicates occurs in varying proportions throughout the deposit. In certain portions of the deposit, a very low proportion of the nickel in the rock is contained in sulphide or alloy minerals. In these areas, the nickel in the rock occurs primarily in silicate minerals such as serpentine or olivine. These non-mineralized areas are generally low-grade (< 0.25% Ni), and contain no sulphides. Nickel occurring in this mode would not be recoverable through the flotation and magnetic separation methods considered by RNC for Dumont Nickel-Cobalt Project.

    - *Controls on Nickel Distribution & Mineralization*

The variability in the final mineral assemblage and texture of the disseminated nickel mineralization in the Dumont deposit has been controlled primarily by the variable degree of serpentinization that the host dunite has undergone.

- *Contact-type Nickel-Copper-PGE Mineralization*

Magmatic nickel-copper-PGE analyses were not performed during the initial drilling program that defined the Dumont deposit in the early seventies. In 1987, a drilling program was conducted to test the sill contacts for platinum and palladium at two locations. The best intersection from this program was drill hole 87-7, located in the east near drill hole E-7, inside and adjacent to the sill contact. This drill hole graded 0.61% nickel, 0.10% copper, 190 ppb palladium and 900 ppb palladium over 6.4 m. Drill holes 87-12 to 14 in the main zone did not reach the contact.

Drilling by RNC has confirmed the occurrence and grade of the historically identified mineralization at the basal contact at the eastern end of the Dumont sill. Drill hole 08-RN-71 intersected 0.8 m of semi-massive pyrrhotite grading 0.99% nickel, 0.19% copper, 0.3 g/t platinum, 1.0 g/t palladium and 0.07 g/t gold at the contact between the Dumont intrusive and footwall volcanics.

- *2011 Discovery of Massive Sulphides at Basal Contact*

In 2011, a hole drilled on section 5500E, passing through the Dumont intrusion and penetrating the footwall contact between the peridotite and the footwall mafic volcanic rock just to the northwest of the FS pit intersected a 1.25 m core-length of massive sulphide mineralization. The massive sulphide was composed of >60% sulphides containing primarily pyrrhotite with up to 10% centimetre-scale pentlandite crystals and trace chalcopyrite. Assuming that this massive sulphide body is coplanar with the footwall contact (dipping 65˚ toward 025 °azimuth), the true thickness of the mineralization would be 1.07 m.

From (m)	To (m)	Interval (m)	Palladium (ppm)	Platinum (ppm)	Sulphur (%)	Nickel (%)	Specific Gravity
572.95	573.55	0.60	3.26	1.94	38.8	4.25	4.79
573.55	574.20	0.65	3.75	2.15	38.1	4.49	4.80

This is the first time that such elevated concentrations of sulphides with high metal grades have been encountered anywhere in the Dumont intrusion. This discovery demonstrates that mineralizing processes capable of producing high-grade massive sulphide mineralization have operated, at least locally, within the Dumont setting, particularly at the basal contact of the intrusion. Further work will focus on following up this intersection and on developing exploration vectors to explore the rest of the 7.5 km long basal contact for similar occurrences. Borehole and surface geophysical surveying (electromagnetic) and follow-up drilling have not defined any significant extent to this mineralization to date.

- *Other Types of PGE Mineralization*

RNC's drilling has further delineated three anomalous PGE horizons other than the basal contact type described above. In 2008, a PGE horizon associated with the pyroxenite layer overlying the upper peridotite was identified. This zone varies in thickness from 0.4 to 51 m with grades ranging 0.08 to 1.46 g/t platinum, and 0.04 to 2.39 g/t palladium. The second PGE horizon, which lies under the main sulphide body, was previously identified during research on the historical drilling. This zone ranges from 0.4 to 34.5 m thick with grades ranging from 0.1 to 1.4% nickel, trace to 0.75 g/t platinum, and trace to 0.2 g/t palladium. The third PGE horizon was discovered by RNC in 2008 and is located approximately 100 m below the lowest sulphide body near the dunite contact with the lower peridotite. This horizon ranges from 1.0 to 140 m thick with grades ranging from 0.1 to 0.5% nickel, trace to 0.9 g/t platinum, and trace to 2 g/t palladium. These horizons generally are observed to be continuous along strike and dip where drilling is present. Samples from each PGE horizon were sent to Memorial University for analysis using scanning electron microscope. This work identified that the PGE phases are similar in all horizons and consist of three alloys: palladium/tin (Pd/Sn), platinum/copper (Pt/Cu), and platinum/nickel (Pt/Nickel) which are intimately associated with nickel sulphides.

- *Metallurgical Domaining of Nickel Mineralization*

Metallurgical test results have shown a clear correlation between mineralogical variations related to degree of serpentinization and metallurgical recovery of nickel. Four metallurgical domains have therefore been established that correspond to these serpentinization domains. They are defined mineralogically on the basis of heazlewoodite to pentlandite ratio (Hz/Pn) and iron-rich serpentine abundance as follows:

- Heazlewoodite Dominant Domain: Samples with heazlewoodite to pentlandite ratios (Hz/Pn) greater than 5, and contain an iron rich serpentine abundance less than 14% are considered to be heazlewoodite dominant.

- Mixed Sulphide Domain: Samples having a heazlewoodite to pentlandite ratio between 1 and 5, and contain an iron rich serpentine abundance less than 14% are considered to be a combination of heazlewoodite and pentlandite.

- Pentlandite Dominant Domains: Samples with heazlewoodite to pentlandite ratios less than 1, and contain an iron rich serpentine abundance less than 14% are considered to be pentlandite dominant.

- High Iron Serpentine Domain: Samples that contain more than 14% iron rich serpentine.

- ***Deposit Types***

PGE deposits occur as sulphide concentrations associated with a variety of mafic and ultramafic magmatic rocks. The magmas originate in the upper mantle, and an immiscible sulphide phase occasionally separates from the magma as a result of the processes occurring during emplacement into the crust. The sulphide phase generally partitions and concentrates nickel, copper and PGE elements from the surrounding magma. The heavy sulphide droplets once concentrated and separated from the magma tend to sink towards the base of the magma, and form concentrated pockets or layers of sulphides that crystallize upon cooling to form mineral deposits.

The Dumont mineral deposit comprises olivine + sulphide cumulates that comprise differentiated layers of the Dumont sill, an Archean komatiitic intrusion contained within the Archean Abitibi Greenstone Belt of northwestern Quebec. As such, it is usually classified with its most analogous counterpart, the Mt. Keith mineral deposit located in the Agnew-Wiluna Greenstone Belt within the Archean Yilgarn craton of West Australia. Greenstone belts are typical terranes found in many Archean cratons, and may represent intracratonic rift zones. The greenstone belts are generally composed of strongly folded, basaltic/andesitic volcanics and related sills, siliciclastic sediments, and granitoid intrusions that have been metamorphosed to greenschist and amphibolite facies, and typically adjoin tonalitic gneiss terranes. Komatiitic rocks form an integral part of some of these greenstone belts.

Both the Dumont and Mt. Keith deposits have undergone pervasive serpentinization and local talccarbonate alteration due to metamorphism to mid-upper greenschist facies. At Dumont, this alteration history has resulted in liberation of much of the nickel from nickel silicates (olivine) and consequent upgrading of the primary magmatic nickel-sulphide and formation of nickel-alloy minerals through partitioning of nickel. However, the Dumont deposit is differentiated from the Mt. Keith deposit by the abundance of the nickel-iron alloy awaruite and by the restricted extent of talccarbonate alteration, which is limited to the basal contact of the intrusion and occurs outside the resource envelope. Also, the Dumont deposit has not been subjected to the extensive supergene weathering alteration present at Mt. Keith.

Exploration

Exploration for nickel mineralization on the Dumont Nickel-Cobalt Project has been completed primarily by diamond drilling due to the lack of outcrop over the ultramafic portions of the Dumont intrusive which host the nickel mineralization. This drilling was initially targeted using data from historical drilling and airborne electromagnetic and magnetic surveys. No continuous trench samples were taken from the Dumont deposit. Non-drilling exploration work carried out on the Dumont property is described below.

- ***Airborne Geophysics***

A helicopter-borne versatile time domain electromagnetic ("**VTEM**") and magnetometer survey was completed by Geotech Ltd. over the Dumont intrusive and adjacent areas at 100 metre line spacing in 2007 as follow up to an earlier helicopter-borne magnetometer-only survey conducted by Geophysics GPR International Inc. in February 2007.

The magnetic survey has outlined the limits of the Dumont sill which exhibits a strong contrast between its magnetic susceptibility and that of the surrounding country rocks. The survey has also defined stratiform bands of varying magnetic intensity which reflect varying magnetite content within these rocks which is related to the igneous layering within the sill and to varying degrees of serpentinization within a given layer. The magnetic pattern also allows the interpretation of major structures that cross-cut the intrusion.

The VTEM survey detected several weak electromagnetic anomalies along the footwall contact of the Dumont intrusive. Several of these anomalies were drill-tested. Anomalies tested to date were primarily due to barren pyritic interflow sediments within the footwall volcanic.

- ***Ground Geophysics***

In February 2013, a ground time-domain electromagnetic survey was completed over a portion of the footwall of the Dumont intrusion. The purpose of this survey was to evaluate the potential for massive sulphide similar to the occurrence intersected in drill hole 11-RN-355 in an orientation subparallel to the basal contact of the intrusion. A 100-metre spaced grid was established between lines 5300E and 7000E and an InfinTEM time-domain electromagnetic survey was completed over the grid. Interpretation of the results indicated weak to moderate large-scale conductive horizons coincident with the footwall contact, but did not indicate discrete conductors consistent with significant accumulations of massive nickel sulphides. These results are consistent with results from drill hole geophysical surveys (UTEM time domain electromagnetics) conducted on several drill holes in the vicinity of hole 11-RN–355 from September to November 2011. Follow-up drilling on these targets is described below.

- ***Geological Mapping***

Surface mapping programs have been carried out over the Dumont Nickel-Cobalt Project, primarily to provide a structural geology framework for the modelling of the Dumont deposit.

Several geological mapping programs have been completed over the Dumont Nickel-Cobalt Project beginning in the summer of 2008. Given the poor exposure over the Dumont sill, the mapping programs have focused on outcrops in the country rocks outside the sill, in order to gain an understanding on the local structural geology. A secondary purpose for these programs has been to identify outcrop in areas of potential mining infrastructure development and to rule out the possibility of sterilizing potential mineral resource infrastructure emplacements. Information collected during these programs was interpreted in association with airborne magnetics and LIDAR topography data and was used to update historic geological maps and to provide constraints for subsurface fault modelling. Outcrop locations were also used to assist in modelling of the bedrock surface and overburden thickness.

In 2012, detailed structural mapping of several outcrops, including the 57 m x 27 m exposure of dunite cleared for the purpose of bulk sampling was completed in support of the structural modelling of the deposit.

- ***Mineralogical Sampling***

Mineralogical sampling of Dumont core began in 2009. The mineralogical sampling program uses the SGS' EXPLOMIN™ analysis to provide detailed mineralogical information on mineral assemblages, nickel deportment, liberation, alteration and the variability of these factors. Mineralogical samples were taken for the purpose of metallurgical domain composite characterization and for the purpose of mineralogical mapping of the Dumont deposit.

Mineralogical mapping sample locations were planned so as to provide spatially and compositionally representative data down drill hole traces for holes on even numbered sections along the length of the deposit, with the goal of providing comprehensive representation of the mineralogical variability of the deposit. A total of 1,561 mineralogical mapping samples were collected as of November 25, 2012, 1,420 of which occur within the mineralized envelope and were used for mineralogical modelling of the deposit.

Metallurgical domain composite characterization samples were selected on an ongoing basis to represent the mineralogy of each metallurgical domain composite as defined for testwork. This includes all domain composites described below under the heading "Mineral Resource and Reserves Estimate", as well as all metallurgical composites defined in the mini pilot plant test ("**PQ**") drill holes.

- ***Outcrop Bulk Sampling***

In the spring of 2011 a mineralized serpentinized dunite outcrop located in the eastern portion of the deposit on line 9850E was prepared for bulk sampling. Nickel mineralization in the sampled portion of the outcrop is dominated by heazlewoodite.

A section of the outcrop measuring approximately 40 m × 55 m was cleared of glacial overburden with an excavator and power washed. A smaller area within this was identified for sampling and subsequently drilled and blasted to a depth of approximately 1.5 m.

Approximately 100 tonnes of this material was used in the in-situ environmental geochemistry characterization cells as part of RNC's environmental geochemistry program. Approximately 3 tonnes of this material were used for metallurgical testing as described below.

- ***Chrysotile Quantification***

A logging program to quantify the bulk chrysotile content of dunite and peridotite from the Dumont deposit was completed from January to March 2013. This program involved relogging a representative sample of 13 holes. RNC has developed a standard logging procedure for the quantitative visual estimation of chrysotile in drill core. This method has been validated by independent external experts and provides reproducible and quantifiable results. The 95% confidence interval for the average bulk chrysotile content for dunite and peridotite is between 1.6% and 1.9%.

Drilling

Upon acquiring the Dumont property, RNC conducted an initial exploration drilling program which consisted of 5 twin holes to confirm the historic drilling results in 2007. Results from this drilling campaign confirmed the historical drilling results and encouraged RNC to embark on an extensive drilling campaign to fully evaluate the Dumont deposit. RNC has since conducted core diamond drilling on the Dumont Nickel-Cobalt Project for the purposes of exploration, resource definition, metallurgical sampling and bedrock geotechnical investigation. RNC has also conducted core drilling and cone penetration testing for the purpose of overburden geotechnical characterization. A summary of the drilling conducted on the property since 2007 is shown below.

Purpose of Drilling	2007 to 2010		2011		2012		2013		TOTAL	
	Number of Holes	Total Metres	Number of Holes	Total Metres	Number of Holes	Total Metres	Number of Holes	Total Metres	Number of Holes	Total Metres
Twin Hole	5	1,681							5	1,681
Sectional Resource Definition	216	86,986	157	56,527					373	143,513
Structural	4	1,359							4	1,359
Geotechnical (Bedrock)	3	1,503	13	6,503	35	5,387			51	13,393
Mini pilot plant Test Holes (NQ)	7	1,757							7	1,757
Total Drilling included in the Current Resource Estimate									**440**	**161,703**
Metallurgical Domain Composites	10	3,194							10	3,194
Crushing Testwork Sample	3	406							3	406
Geotechnical (Overburden)	5	104	66	1,452	64	1,055			135	2,611
Mini Pilot Plant Sample (PQ)	13	2,774							13	2,774
Regional Exploration							13	3,392	13	3,392
Total	**266**	**99,764**	**236**	**64,482**	**99**	**6,442**	**13**	**3,392**	**614**	**174,080**

RNC contracted Forages M. Rouillier ("**Rouillier**") of Amos, Quebec to conduct core diamond drilling. Rouillier used custom built diamond drill rigs mounted on skids or self-propelled tracked vehicles with NQ diameter diamond drill coring tools. On occasion, HQ and PQ diameter core was drilled. Rouillier is an independent diamond drilling contractor that holds no interest in RNC.

For the purpose of establishing sections and for easy location reference in the context of the strike of the deposit, a local grid coordinate system has been established with a baseline approximately parallel to the strike of the Dumont sill and the general trend of the mineralized zones. Grid lines are oriented at an azimuth of 045° and the origin of the grid (grid coordinates 0E, 0N) is located at UTM NAD83 Zone 17 coordinates 678,160E, 5,392,714N. This grid was established for ease of reference and section plotting only. This is a virtual grid and no physical grid lines have been cut in the field. Drill collar coordinates continue to be recorded and reported in UTM NAD83 Zone 17 coordinates and drill hole directional data are recorded and reported relative to astronomic (true) north.

Drill hole directional surveys were conducted using a Maxibor down-hole survey tool which calculates the spatial coordinates along the drill hole path based on optical measurements of direction changes and gravimetric measurements of dip changes. Drill holes are subsequently subject to a differential global positioning system ("**DGPS**") location and deviation surveys using a north-seeking gyro by a certified surveyor before integration of the drilling data into the resource estimation database. Core recovery is very good and is generally greater than 95% with no statistical difference along strike or by geological or metallurgical domain.

All geological, engineering and supervision portions of the drilling program were overseen by geological staff of RNC, supervised by Mr. Alger St-Jean, P.Geo., Vice-President Exploration for RNC.

- ***Resource Definition & Exploration Drilling***

The sectional resource definition drilling program, initiated in 2007, was designed to maintain a nominal 100 m spacing between holes within the plane of the section and along strike between sections from section 5600E to Section 10000E. Drill spacing was decreased to 50 m by 50 m in two selected variability testing blocks centred on section 8250E and on section 6850E. Outside of the 10000E to 5600E range exploration drilling was conducted along the trend of the Dumont intrusion, usually at wider spacing. Several exploration holes were drilled where conductive anomalies detected by the VTEM airborne geophysical survey conducted in 2007 coincided with the basal contact of the intrusion. The program was designed to define mineralization down to a nominal depth of 500 m from surface (-200 m elevation). In places, drilling has investigated mineralization down to a depth of 700 m (-400 m elevation). In general, the core recovery for the diamond drill holes on the Dumont property has been better than 95% and very little core loss due to poor drilling methods or procedures has been experienced. Core recovery does not vary along strike or by geological or metallurgical domain. Holes drilled in 2011 and 2012 for the dual purpose of geotechnical evaluation and resource characterization were integrated in the Dumont resource model. An

additional 3,392 metres of diamond drilling in 13 holes was completed in 2013 to evaluate regional exploration targets that occur within the Dumont property but outside the Dumont resource. No significant mineralization was intersected.

Following completion of the Feasibility Study, further footwall exploration drilling consisting of 1,418 metres in 3 holes was carried out in 2013 to evaluate ground geophysical targets coincident with the footwall of the Dumont intrusion. Structural Drilling

For the purpose of defining major geological structures (faults) in the central portion of the deposit, 1,359 m were drilled in 4 oriented core holes in 2009. These holes were drilled parallel to the strike of the deposit and at high angles to the major structures that cross-cut the deposit. Data from these structural holes were combined with the global drill hole database and surface mapping by John Fedorowich, Ph.D., P.Geo., of Itasca Consulting, to produce a first order structural model for the deposit that was used to delimit structural domains and help constrain the resource block model. Since 2009, several resource definition and exploration holes in zones of structural complexity have also been oriented to augment the structural model.

The structural model has been revised and updated by SRK in 2011 using oriented core data collected during the 2011 geotechnical drilling campaign. Itasca Consulting further updated the structural model using data collected during the 2012 geotechnical drilling campaign, data from detailed surface mapping, and regional geophysical surveys.

- ***Bedrock Geotechnical Drilling***

In order to define rock mass characteristics and evaluate open-pit wall slope angles on an indicative basis, data collection for a preliminary geotechnical study was carried out in 2009. Work associated with this study included the measurement and analysis of 1,503 m of NQ size core from drilling 3 oriented core holes near section 6800E, and a limited hydrogeological study between sections 6500E and 7500E. This data helped define the open pit wall slope angles used in the preliminary assessment.

Upon initiation of the pre-feasibility study, a geotechnical investigation program was designed by SRK and implemented by RNC staff under the supervision of SRK in 2011. The program consisted of 5,050 m of oriented HQ size core in 10 drill holes. Data from this drilling program was utilized by SRK in order to complete a pre-feasibility level geotechnical assessment for slope design. The assessed parameters include rock quality designation, fracture frequency per metre, empirical field estimates of intact rock strength, field (point load) and laboratory (uniaxial compressive and triaxial) strength, and RMR89. Hydraulic test data (49 packer tests) were also collected during this drilling program and used to map the distribution of bedrock hydraulic conductivity across the site and define bedrock hydrogeological domains.

An additional combined geological exploration and geotechnical investigation program designed by SRK was implemented by RNC staff under the supervision of SRK starting in December 2011 and was completed in May 2012. The program consisted of 6,163 m of oriented NQ size core in 11 drill holes. Data from this drilling program has been used by SRK to complete further feasibility study level geotechnical assessment for slope design.

- ***Overburden Geotechnical Drilling***

Overburden geotechnical drilling was carried out in three phases. A limited overburden characterization program was carried as part of the preliminary evaluation in 2010. This was followed by a more extensive program of overburden coring by sonic drilling and cone penetration testing in support of the pre-feasibility study in 2011. Another more detailed program incorporating sonic drilling, cone penetration testing and metasonic probing to support feasibility level design work was completed in 2012. Bedrock data from the sonic drilling program also served to evaluate the regional exploration potential of the Dumont Nickel-Cobalt Project. Further metasonic probing was completed in 2013.

- ***Metallurgical Drilling***

Drilling was carried out in 2010 to collect samples for bench-scale metallurgical variability testing and crushing testwork. A total of 2,774 m of drilling in 13 holes was completed for metallurgical domain composite sampling, and 3 holes totalling 406 m were completed for crushing testwork. Additional metallurgical samples were taken from holes drilled as part of the sectional resource drilling program.

The objective of the mini pilot plant sampling drilling was to provide representative mineralogical variability in a larger sample size for testwork at RNC's mini pilot plant located in Thetford Mines, Quebec. A series of 7 pilot drill holes totalling 1,757 m were completed to characterize the near-surface mineralization in order to select representative mineralization domains for sampling by large diameter drilling for mini pilot plant testing in 2010. On the basis of the results from these pilot holes, four locations were selected for large diameter (PQ-size) diamond drill coring and thirteen holes totalling 2,785 m were completed. Multiple holes were planned on each site in order to acquire a sufficient sample of each metallurgical domain.

Sampling, Analysis, Security of Samples and Data Verification

Descriptions of the historical sampling methods and approaches at the Dumont Nickel-Cobalt Project have been discussed above. Prior to the initial drilling program conducted in 2007, RNC did not conduct any sample preparation or analysis, as no samples were collected from the property during the period leading up to the drilling program. Since initiating field exploration work in March 2007, RNC has maintained strict sample preparation and security procedures and a Quality Assurance/Quality Control ("**QA/QC**") program following industry best practices.

SRK reviewed sample preparation, analyses, and security procedures and discussed the QA/QC program with RNC staff during the site visit in 2011. SRK also performed independent data analyses verification checks as described below and has also reviewed the results of the QA/QC program for the 2008, 2009, 2010, 2011, 2012 and 2013 Technical Reports.

In the opinion of SRK the sampling preparation, security and analytical procedures used by RNC are consistent with generally accepted industry best practices and are therefore adequate.

There have been no changes to core drilling assay/geochemical, mineralogical mapping, mini pilot plant sampling methods, electron microprobe determinations, comminution testwork, and geochemical characterization of Dumont rocks and tailings described below since the Technical Report entitled "Technical Report on the Dumont property, Launay and Trécesson Townships, Quebec, Canada" (July 2013). New sampling campaigns for chrysotile quantification has since been initiated and is described below.

- ***Drill Core Assay/Geochemical Sampling***

    - *Sample Collection & Transportation*

Diamond drilling sampling controls start after a run has been completed and the rods are pulled out of the drill hole. The core is removed from the core barrel and placed in core boxes. The capacity of each box depends on the diameter of core stored in it (1.5 m for PQ diameter, 3.0 m for HQ diameter or 4.5 m for NQ diameter). This follows standard industry procedures.

Small wooden tags mark the distance drilled in metres at the end of each run. On each filled core box, the drill hole number and sequential box numbers are marked by the drill helper and checked by the geologist. Once the core box is filled at the drill site, the box is covered with a lid to protect the core and the box is sent to the core logging facility in Amos at the end of each shift for further processing. In general, the core recovery for the diamond drill holes on the Dumont Nickel-Cobalt Project has been better than 95% and little core loss due to poor drilling methods or procedures has been experienced. There is no statistical difference on core recovery along strike or by geological or metallurgical domain.

- *Core Logging & Sampling*

Once the core boxes arrive at the logging facility in Amos, the boxes are laid out in order, the lids are removed and the head of the first box is marked in red to denote the starting point of the drill hole. The core is then laid out on the logging table and cleaned to remove any grease and dirt which may have entered the boxes. The core is stored sequentially hole by hole in racks for logging. Core logging consists of two major parts: geotechnical logging and geological logging.

The diamond drill core sampling is conducted by a team of several staff geologists, all geologists in training (GIT) and geological technicians under the close supervision of the RNC geologist in charge of the program on site. The RNC staff geologists are responsible for the integrity of the samples from the time they are taken until they are shipped to the preparation facilities in Rouyn-Noranda or Timmins.

The geotechnical logging is completed first to check the core pieces for best fit and to determine core recovery, rock quality designation, index of rock strength and magnetic susceptibility. The number of open (natural) fractures in the core is counted and the fracture surfaces are evaluated for their joint surface condition.

Geological logging follows and is comprised of recording the lithology, alteration, texture, colour, mineralization, structure and sample intervals. All geotechnical and geological logging and sample data are recorded directly into a computerized database using CAE Mining's (formerly Century Systems) DHLogger data logging software.

During the core logging process the geologists define the sample contacts and designate the axis along which to split the core with special attention paid to the mineralized zones to ensure representative splits. All core which is classified as dunite by the geological logging is marked in 1.5 m intervals for sampling. Any mineralized sections outside the dunite are also marked for sampling. Outside the dunite unit a minimum of one, 1.5 m control sample in every 10 m of core is taken.

Samples are identified by inserting three identical pre-fabricated, sequentially-numbered, weather-resistant sample tags at the end of each sample interval.

Once the core is logged, photographed and the samples are marked, the core boxes are transferred to the cutting room for sampling. Sections marked for sampling are split using a diamond saw. Once the core is split in half, one half is placed into a plastic sample bag and the other half is returned to the core box. The core cutting technicians verify that the interval on the sample tag matches the markings on the core and that the sample tag matches the sample number on the bag. The half of the cut core returned to the core box is then re-marked by the core technician with a grease pencil to indicate the end of the sample interval. The boxes containing the remaining half core are stacked and stored on site in the secure core storage facility.

Duplicate, blank and standard samples are inserted into the sample stream at regular intervals using a sequential numbering scheme set up by RNC.

Once the sample is placed in its plastic sample bag, the bag is secured with electrical tie wraps and the sample bags are placed into large fabrene sacks. Generally, seven sample bags are placed into each fabrene bag and then the bag is secured with an electrical tie wrap. The fabrene sample bags remain secured in the core shack in Amos until they are shipped to the laboratory by courier. The general shipping rate for the samples is once for every 100 to 150 samples.

After-hours access to the core logging, core cutting and core storage facilities, as well as the project office, is controlled by a zoned alarm system with access restrictions based on employee function.

- *Sample Preparation & Analysis*

Since June 1, 2008, RNC's samples have been prepared at ALS Minerals' (formerly ALS-Chemex) preparation facility in Timmins, Ontario and analyzed at ALS Minerals' laboratory in Vancouver, British Columbia. Both the preparatory facility and assay laboratory have ISO 9001:2000 certification. Expert Laboratories, located in Rouyn-

Noranda, Quebec is not ISO certified; however, it does participate in the CANMET round-robin proficiency testing twice yearly. Prior to June 1, 2008, all samples were assayed at Expert Laboratories and then all the pulps were re-assayed at ALS Minerals. 5% of each assay batch returned from ALS Minerals is randomly selected for check assay. Until June 2011 the check assays occurred at Expert Laboratories. Subsequently, RNC changed the umpire laboratory to AGAT Laboratories in Mississauga. AGAT is ISO 9001:2000 certified and accredited by the Standards Council of Canada ("**SCC**").

Once the samples reach ALS Minerals' Timmins preparation laboratory, each sample is dried as needed, crushed, and split into "reject" and a 250 g aliquot for pulverization. After pulverization the 250 g pulverized sample aliquot is again split into a 150 g master sample and a 100 g analytical sample. The 150 g master sample is stored in the Timmins facility for reference and the 100 g analytical sample is forwarded to the ALS Minerals analytical laboratory for assaying in Vancouver. On receipt in Vancouver, the specific gravity of the analytical sample material is measured by gas pycnometer, and this is followed by a 35-element analysis using an aqua regia digestion and ICP-AES finish. Where reported nickel values exceed 4,000 ppm, a second analysis is completed from the 100 g analytical sample using a four acid total digestion with an ICP-AES finish. This 4,000 ppm threshold reanalysis was raised to 10,000 ppm on June 1, 2008. In addition, all samples are assayed for precious metals (gold, platinum, palladium) using a standard fire assay with an ICP-AES finish.

After a holding period at the laboratories, all pulps and rejects are returned to RNC in Amos for long-term storage.

All analytical data are reconciled with the drill log sample records and recorded in the project database. For the purpose of geological and resource modelling, the ALS Minerals aqua regia determinations are used for samples under 10,000 ppm nickel and the ALS Minerals total digestion determinations are used for samples over 10,000 ppm nickel.

- *Control, Blank and Duplicate Samples*

As part of RNC's QA/QC procedures, a set of control samples comprised of a blank, a field duplicate and a standard reference material sample, are inserted sequentially into the sample stream. The cut core samples, along with the inserted control samples, are then shipped to the ALS Minerals assay preparation facility in Timmins.

- ***Mineralogical Mapping Sampling***

The mineralogical mapping sampling program uses SGS' EXPLOMIN™ application of Quantitative Evaluation of Minerals by Scanning electron microscopy ("**QEMSCAN**") methods to provide detailed mineralogical information on mineral assemblages, nickel deportment, liberation, alteration and the variability of these factors. Mineralogical samples were taken for the purpose of metallurgical domain composite characterization and for the purpose of mineralogical mapping of the Dumont deposit.

- *Sample Definition & Sampling*

The mineralogical mapping sampling program samples a quarter of the NQ core drilled and previously sampled for the resource definition program. In areas of interest, sample length and location are defined to coincide with previous assay sample intervals to ensure that a direct comparison can be made between results obtained from assay/geochemical analyses and mineralogical sampling results.

The selected mineralogical mapping samples are given a unique sample identification number ("**ID**"), photographed, and sent to the core cutting area. Mineralogical mapping sampling is usually completed in batches, where multiple samples are selected from each hole, then cut sequentially.

The half-core remaining from the previous assay sampling is quarter-split to produce the mineralogical sample. A portion of the quartered core is cut further to produce a pre-selected portion of rock for thin section field stitch analysis. The selected portion for field stitch analysis and the quartered core are each placed in separate bags, and identified by the same mineralogical mapping sample ID.

For QA/QC purposes, a piece of the quartered core selected for mineralogical particle scan analysis is selected from the sample bag and placed in the RNC mineralogical mapping sampling library.

Once a sample is placed in its plastic bag, the bag is secured with staples. Typically, seven sample bags are placed into a cardboard box and secured with tape. The sealed boxes remain secured in the Amos core logging facilities until they are shipped to the laboratory using a courier service. Samples are shipped at the rate of 50 to 100 samples per shipment. Blanks and standard samples are inserted into the sample stream at regular intervals using a sequential numbering scheme set up by RNC.

The sample bag with the thin section slice is sent directly to SGS for thin section preparation and mineralogical analysis. The sample bag containing the quarter core is sent first to ALS Minerals' Timmins preparation laboratory for stage crushing and assaying, with a split shipped to SGS for mineralogical particle scan analysis.

After-hours access to the core logging, core cutting and core storage facilities, as well as the project office, is controlled by a zoned alarm system with access restrictions based on employee function.

- *Sample Preparation & Analysis*

Upon receipt at ALS Minerals' Timmins preparation laboratory the mineralogical samples are prepared according to the following procedure: weigh and log received sample; log sample, crush entire sample to > 70% passing 2 mm; riffle split 100g for pulverizing; stage pulverize, two 100g splits to 90% passing 106 µm; wash pulverizer; crush to 70% passing 2 mm; and pulverize to 90% passing 150 mesh.

The first 100 g split of pulverized material is sent to SGS where the sample is prepared for EXPLOMIN™ particle scan mineralogy and XRF Borate Fusion assay. The results are forwarded to RNC and imported directly into the database.

The other 100 g split of the pulverized material is retained by ALS Minerals for chemical analyses. The reject material is sent back to RNC's Amos office for storage. The results are forwarded to RNC and imported directly into the database.

- *Geochemical Preparation & Analysis*

Samples are analyzed at the ALS Minerals Laboratory in Vancouver, for specific gravity by gas pycnometer, followed by a 35-element analysis using an aqua regia digestion and ICP-AES finish. Where reported nickel values exceeded 10,000 ppm a second analysis is completed using a four acid total digestion with an ICP-AES finish. In addition, all samples are assayed for precious metals (gold, platinum, palladium) using a standard fire assay with an ICP-AES finish. Analysis results are forwarded to RNC and imported directly into the project database.

- *Mineralogical Preparation & Analysis*

Procedures for EXPLOMIN™ mineralogical analysis and sample preparation internal to SGS were provided to RNC by SGS as a personal communication. Upon sample receipt, the Sample Login technician verifies the received samples according to the sample list provided by RNC geologists. Any extra sample(s), discrepancies in identification, damage, contamination, unsuitable samples, concerns, or hazards are recorded, and RNC is notified. Once sample receipt is verified, samples are forwarded to the mineralogist for sample login and laboratory information management system ("**LIMS**") reporting. The samples are kept in the same order that they appear on the documentation provided by RNC.

For sample tracking purposes within SGS, LIMS numbers are assigned to incoming samples. The LIMS number reflects the type of work being performed on the samples, the source of the samples, and secondary information such as Reference, Project, Batch, Quote, Link, Note, Category, Supervisor, Priority, Warning, Charge ID, Date Received, Date Requested. When the LIMS log-in has been completed, a project file is created to hold all the paperwork pertaining to the project. The project file is labelled with the project number, LIMS number, and the

Client or Company name. A log-in checklist is attached to the project file and completed. A chain of custody is created. LIMS information is recorded on a diamond services/mineralogy project list.

The project file is placed in a red folder and given to the Mineralogy Project Supervisor. Once the folder is checked by the Mineralogy Project Supervisor it is returned to Sample Login. Any additional information is updated in LIMS and the project list. The signed chain of custody is photocopied and the original is mailed to the client.

Active mineralogy samples are stored with labels containing the project number, LIMS number, and test required. All of the samples are placed in one of the LIMS numbered, large plastic bags, placed in the 'To Do' box. A copy of the work order accompanies the samples.

When all requested analyses have been completed, samples are brought to Sample Tracking for storage. Boxes are stored in the Sample Tracking Room in Mineralogical Services for six months. After six months, the box is inventoried and the mineralogist is contacted for further instructions.

- *Sample Preparation*

Using a binocular microscope, the Mineralogist or Project Mineralogist identifies the areas of interests previously marked by RNC staff for thin section analysis. One polished section for each sample is prepared for field stitch analysis. Sections are ground and polished then coated with carbon for analysis.

Crushed samples that are received later on from ALS Minerals are first riffle-split into two parts (of ~125 g), one for mineralogy and one for assay. Each sample is potted in moulds and the necessary amount of resin and hardener is added. The moulds are placed into the pressure vessel and left under pressure for five hours. The moulds are then labelled and backfilled with resin. Then they are placed in the oven. The sections are ground and polished followed by carbon coating.

- *QEMSCAN Operation*

The block holder is loaded with the samples. Measurement parameters (for core samples, field scan mode with 10 µm resolution and for crushed samples, PMA mode with 3 µm resolution) are set up. Stage Set-Up, Focus Calibration, Beam optimization and BSE Calibration are performed at the start of each run. After the runs are completed, the daily quality checks are performed as summarized in the table below. Weekly calibration and checks are also performed to verify the following: Stage Initialization, Tilt Check, Rotation Check, X-Ray Detector Check, Gun Set-up, Brightness and Contrast, Filaments and Vacuum. The detectors are checked every three months.

The QEMSCAN Data Validation report includes a measurement validation table and an assay reconciliation chart. QEMSCAN data are compared to externally measured chemical assay data to ensure measurement accuracy. Minerals are double-checked optically. A technical check is performed on all data by a senior mineralogist.

Task/Duty	Operational Purpose	Management Purpose
Checking correctness of PS placement.	Statistics will readily show if samples and parameters are mismatched.	Proper scheduling and quality control protocols.
Check that analyses have been performed successfully.	Go-, no-go decision to perform sample exchange for next analysis batch.	Keep track of scheduling, processing and project management.
Keep track of the measurement statistics as a matter of record	Optimization of analyses is influenced by the interdependence of PS-packing density and point-spacing	If additional statistics are required for particle or modal accuracy, additional PS's may be required.
To assist in optimizing analysis parameters and analysis times.	For reviewing parameter selection criteria. Resolution vs. speed.	Establishing accuracy and precision of measurement.

Note: Table supplied by SGS.

Analytical results are forwarded to RNC and imported directly into the database.

- *Control Samples*

As a part of SGS standard QA/QC procedures for QEMSCAN analysis, a standard sample is run every week. There are currently three standard samples from different projects that are cycled each time. One of the standards used is a RNC data validation sample.

As part of RNC's QA/QC procedures for geochemical assays, a set of control samples comprised of a blank and standard reference material sample, are inserted sequentially into the sample stream. The cut mineralogical samples along with the inserted control samples are then shipped to ALS Minerals for stage crushing and chemical analysis. The standard reference materials and blanks used are analogous to those described previously with the exception that the frequency of insertion is increased to approximately one in every 15 samples.

- ***Mini Pilot Plant Sampling***

PQ core metallurgical domain composite samples are selected based on nickel deportment, grade and alteration of the rocks as determined through assays and mineralogical sampling of an NQ pilot hole drilled at the sampling location. A 1.5 m PQ drilling grid was established around each NQ pilot hole to plan multiple PQ holes on the same site in order to accommodate the sample volume required (approximately 1,800 kg per domain sample) while maintaining domain sample uniformity. As a result of the hole proximity and the inherent difficulty and cost of PQ drilling in overburden, a percussion water well-drilling rig was employed to drive casing into bedrock for the multiple holes required on each of the sites. Once casing was seated in bedrock, the diamond drill returned to drill the PQ core domain samples.

The sampling method for PQ core is identical to that described previously up to and including the geotechnical logging, after which the procedure is different. After geotechnical logging, the core is thoroughly cleaned to remove any drilling additives that may interfere with the metallurgical testwork. The PQ core is then checked for comparability to the pilot hole, by comparing lithological contacts, mineralization, alteration, and structural features. The core is then logged for lithology, and metallurgical domain composite samples are delineated which reflect those established in the pilot NQ hole. The core is then photographed and placed in short-term indoor storage to await sampling. After-hours access to the core logging, core cutting and core storage facilities, as well as the project office, is controlled by a zoned alarm system with access restrictions based on employee function.

The PQ sampling program is supervised by an independent qualified engineer provided by Stavibel Inc. to ensure quality control of the sampling method and to certify chain of custody. The rock is weighed and transferred by domain sample from the core boxes directly into 200 litre plastic barrels fitted with Schrader valves. The domain samples are kept separate and barrels are filled in sequential order. A barrel typically holds from 250 to 270 kg of rock. The engineer seals the full barrel and places a numbered tag on the closure to prevent or identify any possible tampering. The barrels are purged with nitrogen to prevent oxidation and degradation of the rock while the sample awaits metallurgical testwork.

When the sample is required by RNC's metallurgical group, the barrels are shipped directly via road freight to the mini pilot plant in Thetford Mines, Quebec.

- ***Electron Microprobe Sampling***

Polished sections from the mineralogical mapping program from locations throughout the Dumont deposit were selected to quantify the variability of nickel content in key minerals of interest by electron microprobe analysis.

RNC contracted SGS to conduct a detailed electron microprobe analyses on these samples which were already in storage at SGS facilities. SGS subcontracted the analyses to facilities at McGill and Laval University. The McGill University Electron Microprobe Microanalytical Facility is equipped with a JEOL 8900 instrument while the Laval Microanalysis Laboratory is equipped with a CAMECA SX-100. Machine calibrations, replicates and all results passed internal QA/QC procedures used at the facilities and checks as prescribed by SGS.

To further supplement this work in 2012, RNC contracted the Xstrata Process Support (XPS) Mineral Science Laboratory. XPS completed additional quantitative compositional mineral analysis using a Cameca SX-100 electron microprobe. Electron probe microanalysis produces higher electron beam currents and increased beam stability, coupled with higher resolution wavelength dispersive spectrometry to produce mineral composition data down to ppm levels. All standard calibrations and QA/QC checks were completed in accordance to XPS Standards and Procedures.

- ***Metallurgical Variability Sample Selection***

The metallurgical variability samples were collected from various locations in the deposit.

These metallurgical variability samples were chosen to cover the variability in mineralogy and composition across the deposit. Samples were collected in drill holes distributed to be spatially representative both along strike, and across dip (stratigraphy) of the deposit. The major variables examined were nickel grade, nickel deportment, liberation, grain size, association and fibre content. Testwork was completed on 105 individual metallurgical domain composite samples. Testwork includes both metallurgical lab scale recovery tests as well as mineralogical analysis by QEMSCAN and assay.

Continuous domain samples were assembled along the continuous length of the drill holes. Each of the samples defined a homogeneous domain as characterized by nickel grade, nickel deportment, mineralization grain size and alteration. Any change in these characteristics led to the start of a new sample.

- ***Comminution Sampling***

An extensive grindability study was performed on 102 samples from the Dumont deposit. Two types of samples were provided for the testwork, 92 half-NQ and 10 full PQ core samples, corresponding to variability and JK Drop Weight Test samples, respectively.

  - *Sampling Selection*

The 92 half-NQ and 10 full PQ core samples were selected from previously drilled and stored core by RNC. Samples were selected throughout the feasibility pit shell and considered:

- preliminary hardness domains (as indicated from point load testing corresponding to olivine, serpentine, coalingite and faulted domains),
- nickel deportment, and
- distribution throughout feasibility payback shell.

All selected samples are contained within the mineralization envelope to target mineralized dunite of various grades and mineralization types. Half of the selected 92 half-NQ samples (45) were chosen inside the feasibility payback shell. The remaining 47 samples were evenly distributed through the remaining volume of the mineralized envelope within the feasibility pit shell. Selected drill hole intersections were chosen to represent the range of mineralogical and chemical variations with focus on those factors which seem to affect point load strength index ("**PLSI**").

  - *Sample Preparation*

Several shipments of drill core were shipped to the SGS' Lakefield, Ontario site from January to March 2011. These samples underwent the following tests: bond low-energy impact test ("**CWi**"); JK Drop Weight Test ("**JK DWT**"); SMC test ("**SMC**"); bond rod mill grindability test ("**RWi**"); bond ball mill grindability test ("**BWI**"); bond abrasion test ("**Ai**"); rheological characterization; and mineralogical characterization and assay.

The 92 half-NQ drill core samples were submitted for the same suite of tests with the exception of the Bond low-energy impact test and the JK DWT. Three samples selected by RNC were submitted for full rheology benchmark

testing in order to establish testing criteria that would be applied to the 89 remaining samples. The samples submitted for Bond ball mill grindability testing were also submitted for the ModBond test, in order to establish the ModBond – BWI correlation parameters.

All the remaining minus 6 mesh material, totalling 4,339 kg in 20 drums, was shipped to a warehouse in Quebec at the request of Royal Nickel.

The samples were analysed for nickel, sulphur, iron and major elements (Whole Rock Analysis). The iron determinations were performed using two methods, Borate Fusion-XRF (Whole Rock Analysis) and Pyrosulphate Fusion -XRF.

- ***Environmental Geochemistry Sampling***

    - *Sampling for Laboratory Testwork*

The objectives of the geochemical characterization program are to: (i) classify mine waste according to Québec Directive 019 sur l'Industrie Minière (Directive 019) for waste management planning, (ii) identify chemicals of potential environmental interest in the framework of future mine site water quality and possible water treatment requirements during mine operation, and (iii) assess the pit lake water quality in an in-pit tailings deposition scenario after mining operations cease.

The phase 1 environmental geochemistry program was completed by Genivar in 2009. Samples were selected by one engineer and one geologist of Genivar with the help of one geologist of Royal Nickel. A total of 21 waste rock samples (three gabbro, ten peridotite, five dunite, two feldspar porphyry and one basalt) were selected for acid-base accounting ("**ABA**") and leaching tests. Six samples from the mineral deposit representing the low (three samples) and the high (three samples) nickel grades were also sent for ABA and leaching tests. In addition, three tailings samples were selected for environmental testing. Five samples of different lithologies and grades (waste: peridotite and dunite, ore: low- and high-grade, tailings) were selected for humidity cell tests. Finally, a composite sample of mineralized rock (low- and high-grade) was created from five different samples for the Meteoric Water Mobility Procedure ("**MWMP**") test.

For the phase 2 environmental geochemistry program in 2011, rock samples were collected by RNC staff supervised by a RNC geologist according to a sampling scheme devised by Golder. A total of 93 samples of core from waste rock areas were collected from existing core of previously drilled exploration boreholes. Samples were collected throughout the deposit and mostly outside the ore shell but within or near the anticipated open pit. Each rock sample consisting of 3 to 5 kg of core was collected over an interval of approximately 5 to 10 m, and some sub-samples were collected at regular intervals of approximately 1 m. Each sample was checked against its log description in terms of rock type, alteration, and staining associated with sulphide mineral oxidation. A consistent sample collection procedure was applied for all rock samples. Each sample was bagged individually to avoid cross-contamination and was labelled with the unique sample identification number. Metallurgical processing wastes (equivalent to tailings) generated at an off-site processing facility were retained for geo-environmental analysis. The tailings were generated from composite samples of ore collected by RNC from each of the main mineralization types including alloy ore, sulphide ore and mixed ore. Three samples of tailings and three samples of associated process water were collected, packaged and shipped to the laboratory by RNC for analysis.

For the phase 3 environmental geochemistry program in 2012, five more metallurgical processing wastes (equivalent to tailings) were generated from composite samples collected by RNC. The five composite tailings samples are representative of the five metallurgical ore types as described in the Revised Pre-Feasibility Study. The composite tailings samples and three samples of associated process water were collected, packaged and shipped to Maxxam Analytics Inc. (Maxxam) in Montréal by RNC for the similar static analysis complimenting the phase 2 program. In addition to the Maxxam work, three metallurgical processing wastes (equivalent to tailings) were generated from a composite of lowgrade, non-sulphide ore, by the RNC team, and, packed and shipped by RNC to SGS for analysis. The purpose of these analyses was to assess the potential pit lake water quality in an in-pit tailings deposition scenario after mining is complete.

- *Analytical Methods for Laboratory Testwork*

The static tests completed on mine waste solids are consistent with those recommended by Directive 019 and include ABA, chemical composition (whole rock and trace element), and leaching tests (TCLP, SPLP, CTEU9).

- *Acid Rock Drainage ("**ARD**") Potential*

The potential of geologic materials to generate ARD was evaluated through ABA following Québec Method MA.110-ACISOL 1.0. This test includes the determination of the following parameters: (i) total sulphur by LECO furnace and Acid Potential ("**AP**") calculated based on total sulphur content and (ii) Neutralization Potential ("**NP**") (following Québec Method MA.110-ACISOL 1.0). The values of AP and NP are reported as kg equivalent calcium carbonate ($CaCO_3$) per tonne of rock.

- *Neutralization Potential ("**NP**")*

NP is a bulk measurement of the acid-buffering capacity of a sample provided by various minerals of different reactivities and effective neutralization capacity. It is measured by digestion of a pulverized portion of the sample using a strong acid. This process consumes all minerals affected by the acid, including minerals that may not normally be reactive under ambient conditions and minerals that would not neutralize to pH-neutral conditions (such as silicate minerals. This method can overestimate effective NP.

- *Acid Potential ("**AP**")*

The potential of a material to generate acid (acid potential or AP) is calculated from the total sulphur content of the sample in equivalent calcium carbonate. AP is a theoretical value that represents the maximum potential acidity that can be generated by sulphur-bearing minerals in a rock sample assuming that all sulphur is present as pyrite and is available to oxidize completely. This method is generally found to overestimate the AP because total sulphur includes non-reactive sulphur minerals such as sulphates and certain sulphides.

- *Chemical Composition*

The chemical composition of the samples was determined through whole rock and trace element analyses. Major element composition was determined through whole rock analysis by borate fusion and X-ray fluorescence ("**XRF**"). Trace element composition was determined through the CEAEQ Method MA200 Mét 1.2.

- *Metal Leaching Potential*

Various short-term leach tests were used to determine the potential of the waste to release readily-soluble metals to the receiving environment. The leach tests performed follow Québec Method MA.100-Lix.com.1.0.

- *Sampling for In-Situ Experimental Cells*

  - <u>In-situ Low-Grade Ore Cell</u>

A bulk sample of mineralized serpentinized dunite weighing 110 tonnes was collected from outcrop for inclusion in an in-situ experimental environmental characterization cell constructed on the Dumont property. The outcrop was cleared of glacial overburden with an excavator and power washed. The area identified for sampling was then drilled and blasted to a depth of approximately 1.5 m.

The sample was loaded into a dump truck and transported immediately to the in-situ cell site and deposited directly into the in-situ cell.

- In-Situ Tailings Cell

A composite sample of tailings produced from the miniplant, weighing 3 tonnes, was prepared for deposition in an in-situ experimental environmental characterization cell constructed on the Dumont property.

The tailings were produced from the miniplant operation from August 2010 to June 2011. The source of the material was from the PQ Domain Composites 218BDF, 218G, 218H, 218I, 222AC, 217B and 216ABC. Both the slimes, fluff and rougher (non-mag) tails produced from the miniplant were used. The slimes had been stored as a low density slurry, the fluff was dry and the rougher tails were a wet filter cake.

The tailings samples were loaded into a cement truck, mixed thoroughly, transported immediately to the in-situ cell site and deposited directly at approximately 50% solids into the in-situ cell.

- Chrysotile Quantification Sampling

A logging program to quantify the bulk chrysotile content of dunite and peridotite from the Dumont deposit was completed from January to March 2013. The program consisted of detailed drill hole logging using half NQ core drilled and previously sampled for the resource definition program. Thirteen drill holes were selected to represent the dunite and peridotite lithologies based on representative lithological, spatial, structural, and metallurgical characteristics. RNC geologists created a standard logging procedure specifically for chrysotile to ensure consistency and reproducibility of results. This method has been validated by independent external experts and provides reproducible and quantifiable results.

- ***Quality Assurance & Quality Control Programs***

Quality assurance and quality control programs are typically set in place to ensure the reliability and trustworthiness of exploration data. They include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures used to monitor the precision and accuracy of sampling, sample preparation and assaying. They are also important to prevent sample mix-up and to monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and the insertion of quality control samples to monitor the reliability of assaying results throughout the sampling and assaying procedures. Check assaying is typically performed as an additional reliability test of assaying results. Check assaying involves re-assaying a set number of rejects and pulps at a secondary umpire laboratory.

RNC has implemented external analytical control measures since commencing drilling programs at the Dumont Nickel-Cobalt Project in 2007. Analytical control measures consist of the insertion of quality control samples (field blanks, field duplicates and certified reference material samples) in all sample batches submitted for assaying as well as check assaying. RNC only began regularly inserting quality control samples beginning with drill hole 07-RN-04.

Field blanks consist of local esker sand and generally range in grade between 0.003 and 0.008 percent nickel, with an acceptable upper limit of 0.01 percent of nickel. Field duplicates consist of quarter core.

RNC used four certified control samples sourced from Ore Research & Exploration Pty Ltd. of Victoria, Australia: OREAS 13P, OREAS 14P, OREAS 70P and OREAS 72A. OREAS 13P and OREAS 14P were replaced by OREAS 70P and OREAS 72A in 2008, as they were considered to be unrepresentative of the expected rock type and nickel grades.

OREAS 13P and OREAS 14P are both certified for copper, gold, nickel, palladium and platinum values. OREAS 70P is certified for a range of precious and base metals, and major and lithophile trace elements. OREAS 72A is certified for aluminium oxide, arsenic, chromium, cobalt, copper, gold, iron, magnesium oxide, nickel, palladium,

platinum, silicon dioxide and sulphur. A certified reference material sample, a blank or a field duplicate sample were inserted into the sample stream at a rate of one every 25 samples.

Prior to June 1, 2008 all pulps prepared by Laboratoire Expert Inc. ("**Laboratoire Expert**") were re-assayed at ALS Chemex Laboratory. Since June 1, 2008 five percent of the pulps from ALS are randomly selected and re-assayed at Laboratoire Expert. Since June 2011, AGAT in Mississauga has been used as umpire laboratory.

Analytical control measures for magnetite as part of the EXPLOMIN™ study involved replicate and duplicate analyses by SGS. Replicate analyses consisted of re-plotting another sub-sample and re-running the analysis by QEMSCAN for each replicate. The results show the reproducibility between sub-samples (including machine reproducibility). Duplicate analyses consisted of analyzing the same block or polished section again, a second time. The results show the reproducibility of the system or equipment used. However, each time a block or polished section is re-analyzed, a different area on the block or polished section is scanned (i.e. not the exact same particles are scanned). Therefore, the original analyses can never be completely duplicated because the particles within the scanned areas may change due to slight movements in the stage and when setting up the analysis. Analytical control measures were performed on five percent of the EXPLOMIN™ study.

In 2012, upon recommendation from SRK Consulting, RNC had SGS Mineral Services complete 153 Satmagan tests to independently validate the magnetite mineral abundances reported as part of the EXPLOMINTM mineral mapping program. Satmagan results of the EXPLOMINTM samples were used to validate the mineral mass percent of magnetite reported by QEMSCAN. Satmagan infers magnetite content by measuring magnetic susceptibility (Fe3O4 percent). Satmagan values (or recoverable Fe) can be compared and calibrated with Davis Tube Results. Satmagan was performed on 10% of the EXPLOMINTM study.

- ***Data Verification***

  - *Site Visit*

In accordance with NI 43-101 guidelines, Sébastien Bernier from SRK visited the Dumont Nickel-Cobalt Project between April 27 and May 2, 2011 accompanied by John Korczak, P.Geo; on May 17 2013 he was accompanied by Robert Cloutier, Geo, OGQ, both of RNC. The purpose of the site visit was to ascertain the geological setting of the project, witness the extent of exploration work carried out on the property and assess logistical aspects and other constraints relating to conducting exploration work in this area.

All aspects that could materially impact the mineral resource evaluation reported herein were reviewed with RNC staff. SRK was given full access to all relevant project data. SRK was able to interview exploration staff to ascertain exploration procedures and protocols.

Borehole collars are clearly marked with metal stakes inscribed with the borehole number on a metal plate. No discrepancies were found between the location, numbering or orientation of the boreholes verified in the field plans and the database examined by SRK.

The site visit was undertaken during active drilling and SRK examined core from numerous boreholes being processed in the core facility. SRK examined and relogged the nickel mineralized zone from Borehole 11-RN-242. SRK also collected verification samples from this borehole for independent assaying.

On June 21, 2012, Sébastien Bernier and Oy Leuangthong from SRK accompanied by John Korczak and Michelle Sciortino from RNC visited the SGS facilities in Lakefield (Ontario) where EXPLOMINTM samples are processed and analysed.

On October 23, 2018, Chelsey Protulipac, P.Geo from SRK visited the project site accompanied by Robert Cloutier, Geo., OGQ from RNC. The site visit was undertaken to confirm the exploration work completed and assess the extent of bulk sampling completed to date. During the visit, a selection of borehole collars was examined and compared to the database. No discrepancies were found between the location, identification, and orientation of the borehole collars examined.

- *Database Verifications*

Exploration data collected by RNC is incorporated directly into a CAE Mining Fusion database using electronic files only. Data collected by the logging geologists are recorded electronically into DHLogger, within the Fusion database management system. Samples tags are automatically and electronically generated by DHLogger. Both DHLogger and Fusion software are equipped with a series of rigorous internal checks that prevent entry errors, including duplications and missing intervals that may occur during logging and/or importing of assay data received electronically from the laboratory. During the site visit, SRK reviewed and verified the logging procedures with several logging geologists. SRK also performed a series of statistical tests on the database as part of the mineral resource estimation process. No errors were found.

SRK was of the opinion that the database was acceptable and sufficiently reliable for mineral resource estimation.

- *Verifications of Analytical Quality Control Data*

RNC made available to SRK analytical control data as Microsoft Excel spreadsheets that contained the assay results for the quality control samples (field blanks, field duplicates, certified reference material, check assays and replicate and duplicate analyses for the EXPLOMIN™ study).

SRK aggregated the assay results for the external quality control samples for further analysis. Eight variables were examined: calcium, cobalt, chromium, iron, nickel, palladium, platinum and sulphur, and specific gravity. Sample blanks and certified reference materials data were summarized on time series plots to highlight the performance of the control samples. Field duplicate, check assay, and replicate and duplicate analyses (as part of the EXPLOMIN™ study) (paired) data were analyzed using bias charts, quantile-quantile and relative precision plots.

Only cobalt, magnetite, nickel, palladium and platinum are reported in the mineral resource statement below; however, calcium, chromium, iron and sulphur were also modelled because of their correlation with nickel recovery.

The external analytical quality control data produced for the Dumont Nickel-Cobalt Project represents approximately 12% of the total number of samples submitted for assaying. There were a number of field blanks above the acceptable upper limit of 0.01% nickel; however SRK notes that this comprises approximately 2% of the total field blanks. Overall, the average value is approximately 0.0038%, indicating that the esker sand used as a blank is not barren in nickel, but sufficiently low for the purpose they are intended.

Overall, SRK considered that analytical quality control data reviewed by SRK suggest that the assay results delivered by the primary laboratory used by RNC were sufficiently reliable for the purpose of mineral resource estimation. Other than indicated above, the data sets examined by SRK did not present obvious evidence of analytical bias.

- *Independent Verification Sampling*

As part of the verification process, SRK collected eighteen verification samples during the site visit completed between April 27 and May 2, 2011. The verification samples replicate RNC sample intervals from Borehole 11-RN-242 drilled in 2011. The verification samples comprise of NQ quarter core and were sent to AGAT Laboratories in Mississauga in May 2011 for preparation and assaying. AGAT Laboratories is accredited to Standard ISO/IEC 17025:2005 standards for specific testing procedures by the SCC and the Canadian Association for Laboratory Accreditation Inc. ("**CALA**"), including those used to assay the samples submitted by SRK (four acid digestion using inductively coupled plasma-optical emission spectroscopy).

Comparative assay results for the verification samples were analyzed. The verification samples (paired data) were also analyzed using bias charts, quantile-quantile and relative precision plots. The verification samples show that for nickel, sulphur and specific gravity, ALS results can be reasonably reproduced by AGAT. HARD plots show 89% for nickel, 72% for sulphur and 100% for specific gravity, have HARD below 10%.

Such a small sample collection cannot be considered representative to verify the nickel grades obtained by RNC. The purpose of the verification sampling was solely to confirm that there is nickel mineralization and verify that SRK could reproduce nickel grades for the sample intervals independently chosen by SRK.

Mineral Processing and Metallurgical Testing

- ***Metallurgical Study***

The objective of the feasibility metallurgical study was to quantify the metallurgical response of the Dumont ultramafic nickel mineralization. The program was designed to develop the parameters for process design criteria for ore flow characteristics, comminution, desliming, flotation and dewatering in the processing plant. Data from the metallurgical studies was integrated into the geological and resource model for the Dumont deposit in order to evaluate the quality of the resource.

The metallurgical program was performed on the following composites and samples:

- metallurgical variability samples;
- mineralization composites (sulphide, alloy and mixed);
- metallurgical domain composite samples;
- outcrop sample; and
- grindability samples.

Ninety-two grindability samples were submitted to SGS to complete a suite of grinding characterization tests including Bond ball work index, Bond rod work index, SMC test, and abrasion index. In addition to these 92 samples, 10 additional samples were added from the PQ variability samples to complete crusher work index and JK Drop Weight Tests ("**JK DWT**").

Overall, the ore depicted an increase in hardness with finer size, which is typical for many ores. The majority of the test results (percentile 10th to 90th), for the tests performed at coarse size (JK DWT and the SMC test) ranged from moderately soft to medium. At medium size (Bond rod mill test), the majority of the samples fell in the medium to moderately hard range. At fine size (Bond ball mill work index and modified Bond tests), the bulk of the test results fall within the hard to very hard range. The Bond low-energy impact test is the exception; the test uses the coarsest rocks, but the sample tested were categorized as moderately hard to hard. The relative standard deviation of test results within each series ranged from 5% to 19%, which is considered narrow in comparison to other deposits.

The original standard test procedure ("**STP**") was applied to the first 83 metallurgical domain samples, and the updated procedure was applied to the additional 22 samples. A representative sample from each of the 105 metallurgical domain samples was sent to SGS for QEMSCAN quantitative mineralogical analysis.

The 105 STP tests formed the basis for the rougher nickel recovery equations. The 105 STP samples were divided into four metallurgical domains based on their mineralogy. Metallurgical test results show a clear correlation between mineralogical variations related to degree of serpentinization and metallurgical recovery of nickel. Four metallurgical domains have therefore been established that correspond to these serpentinization domains. They are defined mineralogically on the basis of heazlewoodite to pentlandite ratio (Hz/Pn) and iron-rich serpentine abundance. These are Heazlewoodite Dominant, Mixed Sulphide, Pentlandite Dominant, and High Iron Serpentine.

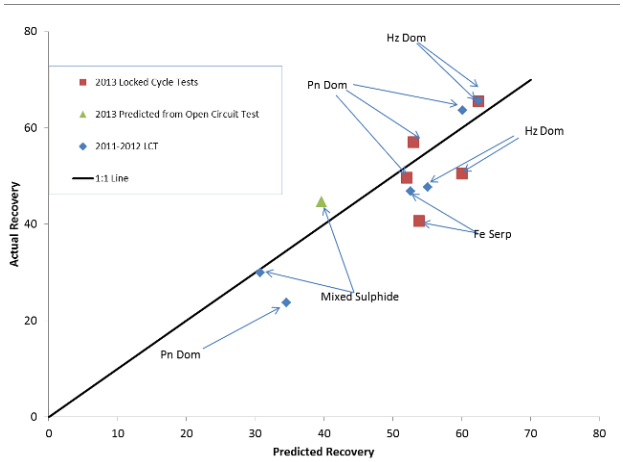
In all cases the recovery was largely driven by the amount of sulphur in the feed, even for the very low sulphur samples where the main recoverable mineral is awaruite. This may correlate with the amount of nickel present as unrecoverable nickel in silicate minerals, which is variable within known limits throughout the deposit, and is generally higher in the lower sulphide samples.

Seventeen locked cycle tests were completed on different samples to assess the cleaner performance across a variety of feed characteristics. The locked cycle tests showed a wide variation in cleaner recovery. The cleaner recovery was found to be strongly correlated to the sulphur in the ore.

Overall, once the rougher and cleaner recovery equations were applied, the average nickel recovery over the life of the project is 43%.

An additional five locked cycle tests were performed to provide confirmation of the feasibility design and the recovery equations. Although there is some variability around the model, the overall recovery from the locked cycle tests is shown in Figure 3 compared to the recovery model used in the feasibility study. Overall the FS recovery model is predicting the Ni recovery demonstrated in the locked cycle tests. The red squares are the 2013 confirmation tests, the blue diamonds are from previous locked cycle tests performed under similar conditions.

Figure 2: Locked Cycle Test Recovery Performance vs. Model



By-product credits for cobalt (Co), platinum (Pt) and palladium (Pd) were included in the financial analysis. The cobalt recovery is 42% over the life of the project. The calculated Pt + Pd grade in concentrate over the life of the project is 4.3 g/t, based on an average PGE recovery of 61%.

Based on the concentrate assays from the locked cycle test results and the nickel tenor of the recoverable minerals within each metallurgical domain, the concentrate grade has been estimated to be 29% Ni over the life of the project, with a range of 22 to 33%. Other impurities, such as arsenic (As), lead (Pb), chlorine (Cl) and phosphorus (P), were all near or below detection limits in the measured samples. The main impurities in the concentrate are MgO and SiO2. The measured MgO levels range from 3 to 13% and the average concentrate is expected to be between 7% and 10%, which is in line with the MgO content in concentrates produced by other ultramafic operations.

- ***Mineral Recovery***

The process plant and associated service facilities will process ore delivered to primary crushers to produce nickel concentrate and tailings. The proposed process encompasses crushing and grinding of the ore (run of mine or stockpiled), desliming via hydrocyclone circuit, slimes rougher flotation, slimes cleaner flotation, nickel sulphide rougher flotation, nickel sulphide cleaning flotation, magnetic recovery of sulphide rougher and cleaner tailings, regrinding of magnetic concentrate and an awaruite recovery circuit (consisting of rougher and cleaner flotation stages).

Concentrate will be thickened, filtered and stockpiled on site prior to being loaded onto railcars or trucks for transport to third-party processing facilities. The magnetic separation tailings and awaruite rougher tailings will be combined in the coarse tailings thickener. The majority of the thickened coarse tailings will be sent to the TSF, while a small portion will be mixed with the slimes flotation tailings to help settle the material in the slimes tailings

thickener. The thickened slimes tailings will also be sent to the TSF in a dedicated pipeline.

The process plant will be built in two phases. Initially, the plant will be designed to process 52.5 kt/d with allowances for a duplicate process expansion to increase plant capacity to 105 kt/d. Common facilities will include concentrate thickening and handling and sulphuric acid off-loading and containment.

The key criteria selected for the base and expansion plant designs are:

- nominal base plant treatment rate of 52.5 kt/d and a nominal expansion plant treatment rate of 52.5 kt/d for a combined 105 kt/d treatment rate;
- design availability of 92% (after ramp-up), which equates to 8,059 operating hours per year, with standby equipment in critical areas; and
- sufficient plant design flexibility for treatment of all ore types at design throughput.

A schematic of the process plant is shown as Figure 4 below.

The process plant design is based on a flowsheet with unit process operations that are well proven in the minerals processing industry. The Dumont flowsheet incorporates the following unit process operations (52.5 kt/d plant discussed below):

- Ore from the open pit is crushed using a primary gyratory crusher (assisted with a rock breaker) to a crushed product size of nominally 80% passing (P_{80}) 90 mm. Crushed ore is fed onto the sacrificial conveyor, when then feeds the covered stockpile feed conveyor.
- A covered conical stockpile of crushed ore with a live capacity of 12 h, with three apron feeders, each capable of feeding 60% of the full mill throughput.
- A 22 MW SAG mill, 11.6m diameter (38 ft) with 6.7m effective grinding length (EGL) (22 ft), utilizing a trommel screen for classification and oversize recirculation.
- Two 16 MW ball mills, 7.9 m diameter (26 ft) with 12.3 m EGL (40.5 ft), in closed circuit with hydrocyclones, grinding to a product size of nominally 80% passing (P_{80}) 180 µm.
- Two-stage desliming circuit via hydrocyclones. targeting an overall mass split to slimes of about 20%, with the first stage to split mass according to an overflow particle size (P_{80}) of approximately 35 µm. Second stage to split mass to obtain an overflow with a P_{80} of 12 µm. The hydrocyclone sizes for each stage are 400 and 100 mm, respectively.
- Slimes rougher flotation consisting of one train of eleven 300 m^3 forced air tank flotation cells to provide 33 minutes of retention time.
- Slimes 1st cleaner, 2nd cleaner and 3rd cleaner flotation consisting of four 50 m^3, three 5 m^3 and three 1.5 m^3 forced air tank flotation cells to provide 30 minutes, 14 minutes and 10.5 minutes of retention time, respectively.
- Nickel sulphide rougher flotation consisting of three trains of nine (27 total cells) 300 m^3 forced air tank flotation cells per train to provide 90 minutes of retention time.
- Nickel sulphide 1st cleaner, 2nd cleaner, and 3rd cleaner flotation consisting of seven 200 m^3, six 20 m^3 and six 5 m^3 forced air tank flotation cells to provide 45 minutes, 13 minutes, and 10 minutes of retention time, respectively.

- Magnetic separation (1st stage) on nickel sulphide rougher and sulphide cleaner flotation tailings, consisting of two trains of seven 3.6 m long low intensity magnetic separators (LIMS) for a nominal mass recovery of 12% of sulphide rougher and cleaner flotation on plant feed.

- Magnetic concentrate regrind stage in an 8 MW ball mill, 6.7 m diameter (22.0 ft) with 9.6 m EGL (35.4 ft), operating in closed circuit with hydrocyclones, grinding to a product size of nominally 80% passing (P_{80}) of 41 µm.

- Magnetic sulphide scavenger flotation of the reground ore consisting of six 200 m^3 forced air tank flotation cells to provide 62 minutes of retention time.

- Two stage of magnetic separation (2nd and 3rd stage) on magnetic sulphide scavenger flotation tailings, consisting of five 3.6 m long LIMS magnetic separators for the 2nd stage and an additional 3.6 m long LIMS magnetic stage, for a nominal stage mass recovery of 5.4% on plant feed.

- Awaruite rougher flotation consisting of five 70 m^3 forced air tank flotation cells per train to provide 70 minutes of retention time.

- Awaruite cleaner flotation consisting of four 1.5 m^3 forced air tank flotation cells to provide 21 minutes of retention time.

- Nickel concentrate (the combination of the slimes cleaner concentrate, the nickel sulphide cleaner concentrate and the awaruite cleaner concentrate) thickening in a 14 m diameter high-rate thickener followed by dewatering in a horizontal recessed-plate diaphragm pressure filter.

- Thickening of the combined magnetic separation tailings and awaruite rougher tailings in a 55 m diameter high-rate thickener to an underflow density of 55% solids.

- Thickening of the slimes tailings, dosed with a small portion of the thickened coarse tailings to improve settling properties, in a 55 m diameter high rate thickener to an underflow density of 35% solids.

- TSF for process tailings deposition that will impound tailings for the first 19 years of operation. Thickened coarse tailings and thickened slimes tailings are fed to the TSF using dedicated pipelines.

- Reagent mixing facilities for KAX20 (collector), Calgon (depressant), CMC (depressant) and both concentrate and tailings flocculants.

- Reagent off-loading facilities for MIBC and Cytec 65 (frothers) and sulphuric acid.

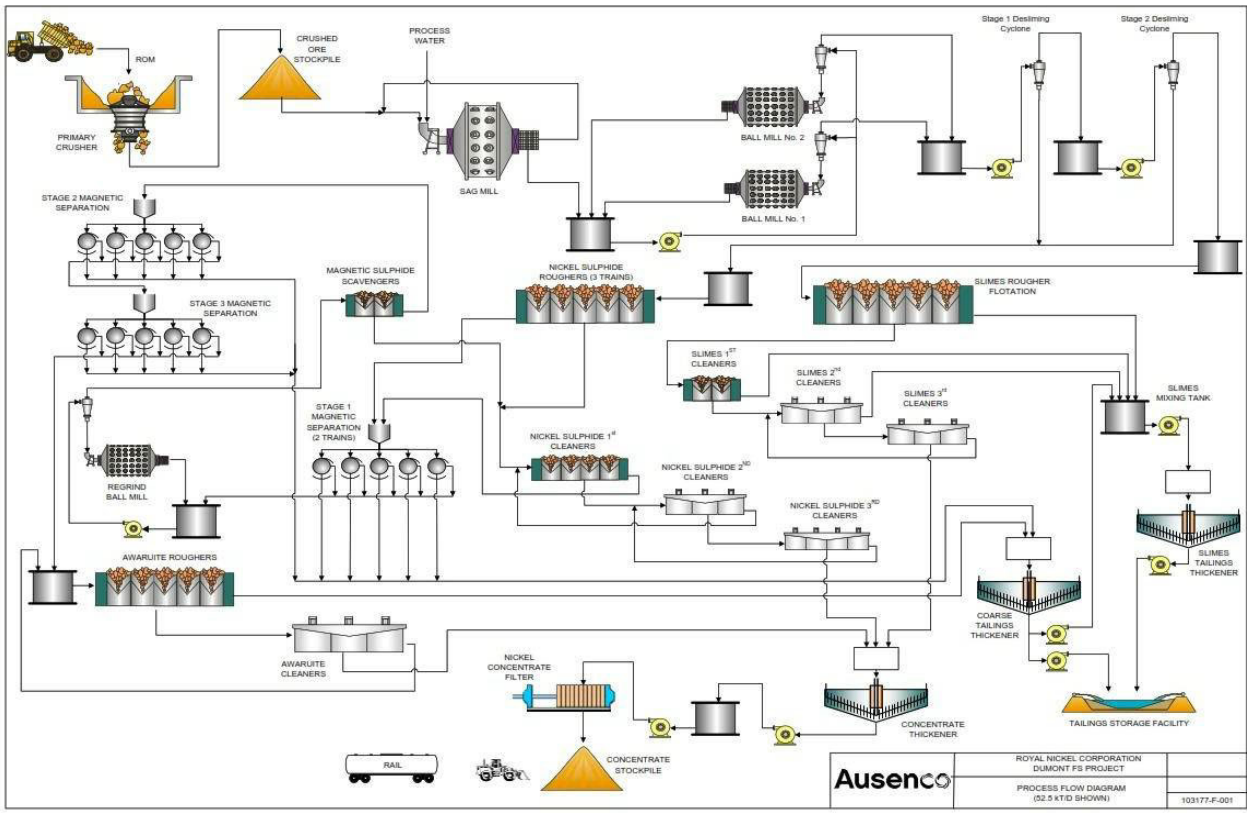
- Process water and distribution system for reticulation of process water throughout the plant as required. Process water is collected in a process water pond that is predominantly supplied from the thickener overflows and tailings storage facility. Other sources include pit de-watering operations.

- Potable water is generated by treatment water from the freshwater tank in a reverse osmosis (RO) unit at the site. Potable water is distributed to the plant and for miscellaneous purposes around the site.

- Raw water, filtered using sand filters, distribution services to supply cooling water, gland water, a portion of the reagent mixing water, firewater, etc.

- Plant, instrument and flotation air services and associated infrastructure.

Figure 3: Dumont Process Plant Schematic



Mineral Resource and Mineral Reserves Estimates

The construction of the mineral resource model was a collaborative effort between RNC and SRK. The construction of the three-dimensional resource domains was completed by RNC personnel and reviewed by SRK. Most of the resource evaluation work was completed by Mr. Sébastien Bernier, P.Geo (OGQ#1034, APGO#1847). An update to the parameters of the block model definition was completed by Chelsey Protulipac, P.Geo (APGO #2608). Dr. Oy Leuangthong, P.Eng (APEGA#82746, PEO#90563867), assisted with the geostatistical analysis, variography, and the selection of resource estimation parameters. The effective date of the current resource estimate is May 30th, 2019. The mineral resource estimate considers drilling information available to 31 December 2012, as no new drilling information is available beyond that date and was evaluated using a geostatistical block modelling approach constrained by seven sulphide mineralization wireframes. The mineral resources have been estimated in conformity with the CIM "Mineral Resource and Mineral Reserves Estimation Best Practices" guidelines and were classified according to the CIM Standard Definition for Mineral Resources and Mineral Reserves guidelines. SRK is unaware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues that may materially affect the mineral resources.

Table 1: Dumont Nickel Project, Quebec, SRK Consulting (Canada) Inc., May 30th, 2019[(1)]

	Quantity	Grade		Contained Nickel		Contained Cobalt	
Resource Category	**(kt)**	**Ni (%)**	**Co (ppm)**	**(kt)**	**(Mlbs)**	**(kt)**	**(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 (kt)	Grade Pd (g/t)	Grade Pt (g/t)	Contained Palladium (koz)	Contained Platinum (koz)
Measured	372,100	0.024	0.011	288	12 6
Indicated	1,293,500	0.017	0.008	720	33 5
Measured + Indicated	**1,665,600**	**0.020**	**0.009**	**1,008**	**46 1**
Inferred	499,800	0.014	0.006	220	92

Resource Category	Quantity (kt)	Grade Magnetite (%)	Contained Magnetite (kt)
Measured	-	-	-
Indicated	1,114,300	4.27	47,580
Measured + Indicated	**1,114,300**	**4.27**	**47,580**
Inferred	832,000	4.02	33,430

Notes:

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.

Table 2: Mineral Reserves Statement* (May 30, 2019)[1]

Category	(kt)	Grades Ni (%)	Grades Co (ppm)	Grades Pd (g/t)	Grades Pt (g/t)	Contained Metal Ni (Mlb)	Contained Metal Co (Mlb)	Contained Metal Pd (koz)	Contained Metal Pt (koz)
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**

Notes:

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 life of mine stripping ratio is 1.02:1. 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.

In addition to nickel, SRK modelled the abundance distribution of seven other main elements: calcium, cobalt, chromium, iron, palladium, platinum and sulphur as well as specific gravity.

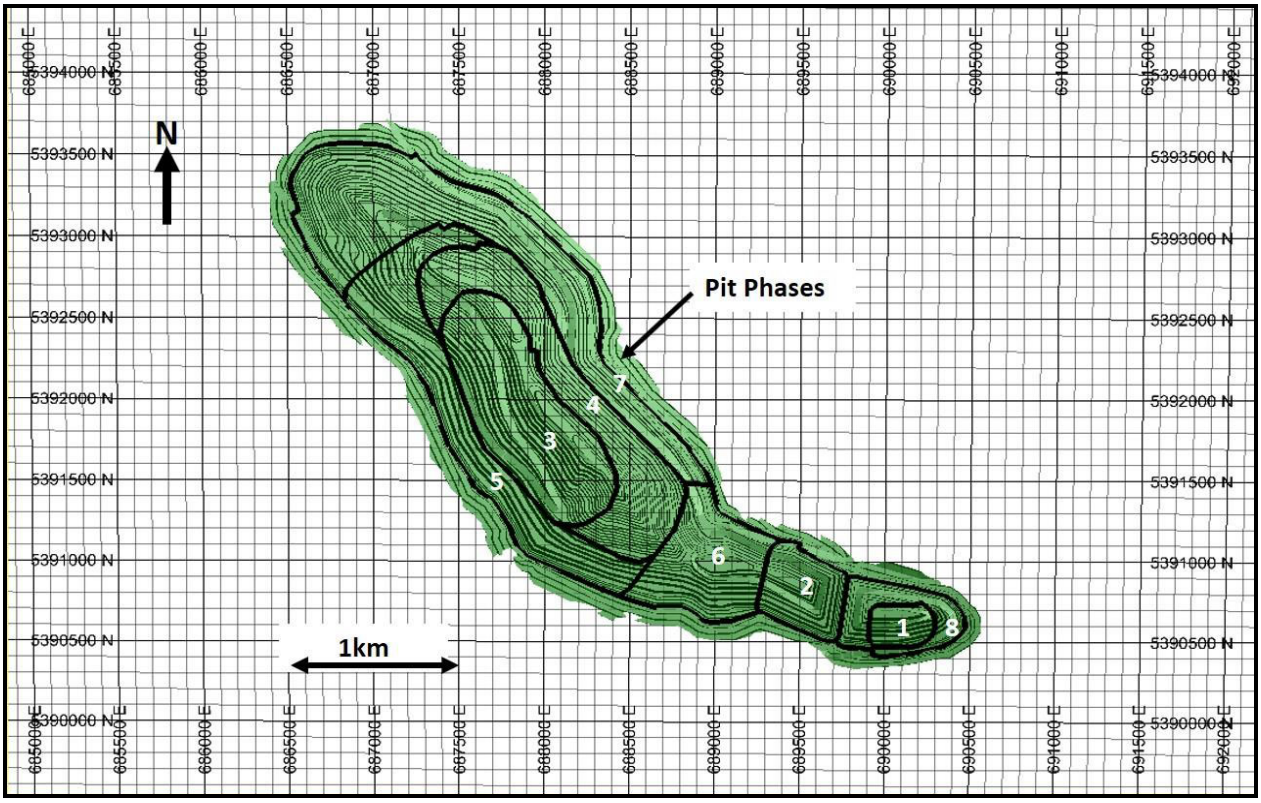
To facilitate RNC's evaluation of nickel recovery, SRK also constructed estimation models of mineral abundances. Specifically, SRK modelled the abundance distribution of awaruite, brucite, coalingite, high iron serpentine, heazlewoodite, serpentine, low-iron serpentine, magnetite, olivine and pentlandite. The mineral model was constructed to support ongoing metallurgical studies. The mineral abundance model is coextensive and of identical dimensions to the element model.

Reserves were estimated by Dave Penswick, P.Eng. These are based on the mineral resource block model described above. Reserves are contained within an engineered pit design that is based upon a Lerchs-Grossmann optimized pit shell generated using a nickel price of US$4.05/lb, which is considerably lower than the long-term forecast of US$7.75/lb. Reserves include dilution of 0.43% and mining losses of 0.33%.

Mining Operations

The open pit mine has been designed to provide ore to the plant in a manner that optimises net present value. The sequence of mining phases is given in Figure 1.

Figure 4: Mining Phase Sequence



A high level summary of the mining sequence is as follows:

- Phase 1 is the starter Quarry, which targets the only outcrop and will provide waste rock for construction purposes along with ore to be stockpiled and used for commissioning the mill. The void created by mining of Phase 1 will also serve as a temporary reservoir to hold the start-up water requirements for the mill. Longer term, while the Main Pit (Phases 2 – 7) is in operation, the Quarry will also provide contingent surge storage capacity for the freshet and other periods of higher precipitation.

- Additional construction rock will be provided by Phase 2, which is located within the South East Extension ("**SEE**") immediately west of the 'Saddle' separating it from the Quarry.

- Phase 3 is the highest value portion of the entire pit and is targeted as soon as sufficient construction rock has been liberated from Phases 1 & 2.

- Phases 4 and 5 are Main Pit pushbacks to the hanging wall and footwall.

- Phase 6 is an extension to the final limits of the SEE.

- Phase 7 is the final phase of the Main Pit, extending to the west, hanging wall and at depth.

- During phase 8, following completion of the Main Pit, tailings will be impounded inpit and there will no longer be a requirement for the contingent water storage within the Quarry. Phase 8 is an extension to the ultimate limits of the Quarry. A rock pillar will remain between this satellite pit and the SEE immediately adjacent.

A key component of the mine plan is the accelerated release of ore from the pit, with higher value ore being fed directly to the mill and lower value material being temporarily stockpiled. During the life of pit, a total of 511 Mt will be loaded to the low-grade stockpiles. Of this, 112 Mt of the highest value stockpile material will be reclaimed during the initial 19 years that the main pit is active. The remaining 398 Mt will be reclaimed after completion of the Main Pit, extending the life of project to a total of 30 years and 3 months. For simplicity, the remainder of this document refers to project life as 30 years.

The strategy of stockpiling lower-value material allows the value of material treated during the initial years to be maximized. As a result, annual output averages 73 Mlbs Ni recovered to concentrate during the first initial period when the concentrator throughput is 52.5 kt/d. After throughput is increased to 105 kt/d, output increases to an average of 111 Mlbs recovered Ni while the Main Pit is active. Over the 30 year life of project, output averages 87 Mlbs.

The strategy of accelerated mining has the additional advantage of creating a void, which would accommodate approximately 42% of the tailings produced, thus reducing the surface footprint of operations.

The bench height at Dumont will increase progressively. At the outcrop / subcrop, the initial bench in rock will be mined on a nominal 5 m bench height. Blast holes measuring 115 mm will be drilled by diesel powered percussion drills. Below the initial bench and to the lowest level of the overburden– rock contact (a vertical window of 70 m), a 10 m bench height will be employed. Blast holes measuring 270 mm will be drilled using diesel powered rotary drills. Thereafter, a 15 m bench height will be used. Blast holes will measure 311 mm and be drilled using the same rotary drills as for the 10 m benches. All holes will be charged with emulsion. All final walls will be pre-split.

Approximately 71% of the total 2,080 Mt that will be excavated from the Dumont pit will be loaded using electric rope shovels (nominal dipper capacity 100t) into 290 t payload trucks. A further 22% of the expit total will be loaded using large, electrically powered hydraulic excavators (nominal dipper capacity 61 t) also into 290 t trucks. Smaller diesel-powered hydraulic excavators (nominal dipper capacity 30 t) will predominantly load dry overburden totaling 5% of the expit tonnage into 90 t trucks. The remaining 1% of material will be predominantly wet overburden and will be loaded by small backhoe excavators (nominal dipper capacities of 8 and 15 t) into 45 t articulated trucks.

From year 3 onwards, the 290 t haul trucks will be equipped with pantographs to utilize trolley-assist on the main ramps. The use of trolley-assist will result in faster cycle times and reduce diesel consumption by over 35%, or approximately 450 M litres as compared to the feasibility study completed in 2013 configuration.

Production equipment will be supported by various units of support equipment, including tracked dozers, wheel dozers, front end loaders, graders, water tankers and utility excavators.

All mining fleet will be purchased by the Owner. A local mining contractor with experience operating in similar environments has been pre-selected to assist during the pre-strip period, particularly with mining clay. Thereafter, all mining will be performed by the Owner.

The 2,080 Mt of material excavated from the pit will include 1,028 Mt ore, 879 Mt waste rock, 124 Mt overburden that is mainly sand and gravel, and 49 Mt clay. The Life-of-Mine stripping ratio is 1.02:1. Approximately 16% of waste rock excavated from the pit will be used to construct the tailings storage facility ("**TSF**") and haul roads. The remainder will be impounded in dumps located on the hanging wall side of the pit. Approximately 52% of waste rock is either gabbro or basalt and has excellent properties for construction. These rock types will be used to produce roadstone for surfacing roads, in order to reduce dust emissions and improve hauling performance.

Approximately 11% of clay will be used in construction of the TSF (as an impermeable membrane) or for reclamation activities. The remainder will be impounded within cells constructed using sand and gravel or waste rock and located on the hanging wall (northeast) side of the pit. Sand and gravel will be used for some construction activities, as well as reclamation of waste dumps. The remaining sand and gravel will be impounded in waste dumps located on the hanging wall side of the pit.

Low-grade ore will be located in three distinct dumps depending on NSR value. The highest value stockpile will be located closest to the primary crusher and will be reclaimed first, while the lowest value stockpile will be adjacent to the main waste rock dump.

Infrastructure to support the mining operation will include:

- electrical substations to feed the electrified equipment and trolley assist infrastructure;
- a workshop and associated warehouse (equipment will be maintained under a maintenance contract initially, with a phased handover to in-house personnel as experience is gained);
- a fuel farm and associated fueling bays; and
- an explosives manufacture facility and magazine. As is the norm in Canada, this will be operated by the explosives supplier.

The labour complement averages 298 persons over the life of project, including 441 while the Main Pit is active and 110 during reclaim of the low-grade stockpile.

- ***Mining Process Description***

Mining operations at the Dumont Nickel-Cobalt Project will be conducted by the following fleets of production mining equipment:

- Areas where the depth of clay exceeds 7.5 m will be mined using a combination of 90 t class and 150 t class backhoes loading 45 t articulated trucks. The nominal application for the smaller excavator will be the actual clay while the larger excavator will be used for any associated S&G or rock in the immediate area. The backhoes will load from on top of the clay and will require the surface to be 'armoured' with crushed rock to prevent sinking. No drilling and blasting will be required for the overburden, while rock will be drilled using percussion drills with a nominal hole diameter of 115 mm on a bench height nominally of 5 m.
- Areas where the depth of clay is $\leq$ 7.5 m will be mined using a 300 t class hydraulic excavator operating in face shovel configuration. The excavator will load from the underlying S&G footwall and deliver all clay, S&G and rock into 90 t rigid body haul trucks. No drilling and blasting will be required for the overburden, while rock will be drilled using percussion drills with a nominal hole diameter of 115 mm on a bench height nominally of 5 m.

- Below the clay – S&G interface, S&G and rock will be mined on 10 m benches. Areas that are predominantly S&G will be loaded with a 600t class hydraulic excavator operating in face shovel configuration while rock will be predominately loaded with cable rope shovels. All material will be loaded into 290 t class haul trucks. Rock will be drilled using rotary drills with a nominal hole diameter of 270 mm.

- Below the rock – S&G interface, benches will be 15 m and all rock will be loaded by rope shovels into 290 t class trucks. Rock will be drilled using rotary drills with a nominal hole diameter of 311 mm. Production equipment would be supported by various units of support equipment, including tracked dozers, wheel dozers, front end loaders, graders, water tankers and utility excavators.

Production equipment will be supported by various units of support equipment, including tracked dozers, wheel dozers, front end loaders, graders, water tankers and utility excavators. It has been assumed that all mining fleet will be purchased by the Owner. Norascon, a local mining contractor with experience operating in similar environments has been pre-selected to assist in the mining operation, specifically to perform the clay stripping operations during the initial 2 years of pre-stripping prior to the mill be commissioned. All other equipment would be operated by the Owner.

The duty cycle for production units was estimated by first principles, based on the production plan.

The following infrastructure would be provided to support mining activities:

- workshop and associated warehouse; equipment will be maintained under a maintenance contract initially, with a phased hand-over to in-house personnel as experience is gained;

- fuel farm and associated fuelling bays;

- explosives manufacture facility and magazine; as is the norm in Canada, this will be operated by the explosives supplier;

- in pit sump and associated dewatering system; and

- electrical reticulation system.

The Owner's mining labour complement will average 297 persons during the life of the project, reaching a peak of 598 persons while the pit is active then dropping to an average of 89 while the low-grade stockpile is being reclaimed. The mining contractor workforce will average 91 persons over the period that the contract is active.

- ***Mining Fleet***

Fleet sizes were based on the following assumptions:

- The mine would operate 24 hours per day, 365 days per year.

- The mechanical availability and operator utilization of equipment would vary according to the particular unit of equipment. Average annual engine hours (product of availability and utilization) for the main production equipment would range from a high of 6,300 (cable shovels) to 6,000 (rotary drills, excavators and haul trucks) to 4,900 (percussion drill).An efficiency factor of 90% was applied to utilized time, meaning that 10% of total engine hours (incurring costs) would not be directed towards completing useful work.

Infrastructure, Permitting and Compliance Activities

- ***Infrastructure***

The project site is well serviced with respect to other infrastructure, including:

- Road – Provincial Highway 111 runs along the southern boundary of the property.
- Rail – The Canadian National Railway (CNR) runs through the property, slightly to the north of Highway 111 but south of the engineered pit.
- Power – The provincial utility, Hydro-Québec, has indicated that it would be feasible to provide electrical power to the mine site via a 10.5 km long 120 kV overhead powerline to be constructed, which would be connected as a tee-off to an existing line. The line will enter the property from the south near the security entrance gate, and runs up to the process plant main 120 kV substation.
- Water – The project concept includes a closed system for water, with water that would be reclaimed from tailings being reused in the process plant. Make-up water would be taken from the quarry and, if required under exceptional circumstances, from the Villemontel River, at a point located approximately 5 km from the planned site for the mill.
- Gas – Although the use of propane gas delivered by tanker truck is considered for heating buildings in this study, an existing natural gas pipeline extends to within approximately 25 km from the south edge of the property which could be considered for future requirements.
- Both the initial and expansion phases of the Dumont project will require three 120:13.8 kV 60/80 MVA main transformers. The new 120 kV substation and six main transformers will be installed near the SAG Mill Feed Conveyor. The 13.8 kV medium voltage network will be used for the primary electrical distribution and for feeding large loads such as the SAG mill and ball mills.
- A rail spur that services the process plant is proposed for the project. The total length of the rail spur is 6 km. The rail spur consists of a fuel drop-off and pick up siding near the mining truck shop and the main track extends north of the process plant. A rail car drop-off and pickup siding is located north of the main security entrance, northwest of the water treatment plant for dropping off and picking up the rail cars used to deliver consumables for the mill and nickel concentrate. The process plant area consists of the crushing facility, covered stockpile and process plant building. The overall process plant enclosed structure is approximately 350 m long, and consists of four connected buildings: grinding, flotation, cleaning, and filtration.
- The TSF is located approximately 400 m west of the process plant and consists of a tailings impoundment and a Recycle Water Basin (RWB). It is designed to store approximately 596 Mt of tailings over nineteen (19) years. Once mining at the open pit has ceased, stockpiled ore will be processed for approximately 12 years and those tailings, approximately 428 Mt, will be deposited in the open pit.

- ***Environmental***

The information presented in this section originates principally from the Environmental and Social Impact Assessment ("**ESIA**") performed as part as the Dumont project permitting process and integrates a number of studies performed by RNC and its consultants over the past twelve years. Biophysical data come mainly from three distinct fieldwork programs performed from 2007 to 2009, with some complementary information extracted from the baseline studies designed to support the Environmental and Social Impact Assessment in 2011 and 2012. RNC has hired consultants over the past 5 years to optimize the project and consequently, additional data were acquired from 2013 to 2018 by consultants or RNC. Table 3 summarizes the sources of information for the various

biophysical and social components described herein. The table below summarizes the sources of information for the various biophysical and social components described in the feasibility study.

Table 3: Sources of Biophysical & Social Components included in the Feasibility Study

Type of Study	2007	2008	2009	2011	2012	2013	2014	2015	2016	2017	2018
Climate				√	√	√	√	√	√	√	√
Air quality							√	√	√	√	
Hydrology and bathymetric survey				√	√	√	√	√	√		
Water and sediments quality	√	√	√	√		√	√				
Groundwater quality				√	√	√					
Soil characterization					√	√					
Rare and protected plants	√			√							
Vegetation and wetlands		√		√			√				
Wildlife	√	√	√								
Small mammals				√							
Fish	√	√	√	√	√		√				
Benthic invertebrates	√	√	√								
Birds		√		√				√			
Reptiles and amphibians				√		√		√			
Ambient noise				√		√					
Infrastructures								√			
Archaeology		√				√					
Public and Stakeholders				√	√		√	√	√	√	√

These environmental baseline studies have not identified any specific inordinate environmental risk to project development. Environmental sensitivities are primarily related to potential impacts associated with the scale and footprint of the proposed operation, and the composition of materials being handled and impounded on the site. Principal impacts anticipated at this stage relate to air quality, wetlands, fish habitat, water resources (surface and groundwater), and the social environment. Although, there are some sensitive elements in the surrounding footprint, the optimization work conducted on the mining plan and design significantly eliminate or reduce significantly the effect of the project on these components.

To limit environmental impact to one drainage basin, RNC has elected to limit project infrastructure to within the St. Lawrence drainage basin. RNC has also observed a one-kilometre buffer zone between surrounding esker aquifers and project infrastructure.

Although three "at risk" plant species were found within the study area defined for the Dumont ESIA, the current project development plans would not affect the locations where these species were observed. The environmental characterization underlined the presence of rock vole, a small mammal species likely to be listed on Quebec's threatened or vulnerable species list. Mitigation measures aiming at promoting rock vole habitat were introduced in the ESIA. The presence of three "at risk" bird species was noted during the ESIA: olive-sided flycatcher, rusty blackbird, and common nighthawk. A mitigation measure intended to protect nests during the nesting period was implemented in the ESIA to reduce direct impact on these species.

Results of the ESIA demonstrates that most of the impacts anticipated from the Dumont project are qualified as low or very low once general and specific mitigation measures are applied. Only one impact is qualified as very

important or important, namely the risk of nitrogen dioxide formation due to blasting at concentrations likely to affect health as this phenomenon has not yet been modelled and precise impacts could not be evaluated. Atmospheric dispersion modelling studies of airborne nitrogen dioxide concentrations during blasting will allow a more precise assessment of the health risks and whether specific preventive measures are required within the framework of the emergency response plan. These types of emissions are not unique to the Dumont project but are common to all open pit operations.

Environmental geochemistry characterization of tailings, waste, rock, overburden and ore indicate that these materials will be non-acid-generating due to their low sulphur content and high neutralization potential. Static tests indicate that waste rock and ore are leachable under the conditions of the tests, but kinetic tests that are more representative of anticipated site conditions showed that leachability is very low, meets Quebec effluent criteria and meets Quebec groundwater quality criteria (in force in 2013) in the long-term. The waste rock and tailings also demonstrate significant potential for permanent carbon sequestration through spontaneous mineral carbonation.

The Dumont Project received the Provincial Certificate of Authorization from the Quebec Ministry of Sustainable Development, Environment and the Fight Against Climate Change in July 2015 and received a positive Environmental Assessment Decision from the Federal Minister of the Environment in July 2015.

As part of the current study in 2018 and 2019, modifications were made to the 2013 feasibility study project design that was considered in the ESIA. An update of the environmental and social impacts evaluation was therefore carried out to consider these modifications. The negative impacts previously identified in the preliminary ESIA remain the same but the intensity of some of these impacts will be reduced. However, the negative impact reduction is not significant enough to result in a change in the impact importance evaluation when the impact evaluation methodology is applied. The environmental components where the project effects are reduced are air quality and noise

- *Permitting Timeline – Major Milestones*

The proposed timeline for environmental permitting was developed under the assumptions that the two levels of governments, federal and provincial, will establish a good collaborative process under the Canada-Quebec Agreement on Environmental Assessment Cooperation.

The permitting process is initiated with the submission of the Project Notice to MELCC. The Project Notice describes the scope of the project and provides a summary of potential environmental impact based on the pre-feasibility study design. The Project Notice is assessed jointly at the federal and provincial levels and instructions on the scope and requirement for the ESIA are forwarded to the developer.

Once the ESIA is completed and considered receivable by the authorities, the Quebec public hearing process is triggered by the BAPE. The BAPE then submits its recommendations to the MDDEFP and eventually to other governmental authorities for decision concerning the issuance of a global Certificate of Authorization.

Table 4: Summary of Environmental Permitting Process Milestones

Major Milestones	Anticipated (Actual) Time frame
Project notice submission	December 2011 - Completed
Federal and provincial directive	February 2012 - Completed
Submission of the ESIA	November 2012 - Completed
Public hearing process kick-off	April 2014 - Completed
BAPE recommendations to provincial authorities	September 2014 - Completed
Regulatory review of ESIA	May 2015 - Completed
C of A delivery (Provincial)	June 2015 - Completed
Environmental assessment decision (Federal)	July 2015 - Completed

Water body listed in Schedule 2 of the Metal Mining Effluent Regulations (MMER)	December 2017 - Completed

- ***Community Consultation***

RNC has voluntarily initiated a public information and consultation process during the exploration phase. The process aims to ensure effective communication and dissemination of information about the project, and to document the concerns, comments and suggestions of the host communities to refine the technical and economic studies and has helped to define the content of the environmental impact study.

Capital and Operating Costs

- ***Capital Cost Estimate***

The update of the capital cost of the Dumont Nickel-Cobalt Project, for both the 52.5 kt/d production rate (phase 1), expansion to 105 kt/d, and sustaining expenditures over the 30 year life, has been estimated.

Table 5 below shows a summary of the capital costs estimate, including initial capital (phase 1), expansion capital (phase 2), and sustaining capital. The costs are expressed in real, Q1 2019 Canadian dollars. Items originally received in foreign currency were converted in Canadian dollar. For USD currency, the exchange rate (CAD to USD) of 0.75 was used. For others currency, rate as of 2019-04-23 from "Oanda.com" were used. Indirect costs include first fills of consumable items for the initial and expansion estimates.

Table 5: Summary of Capital Costs

Description	Initial Capital (CAD $M)	Expansion Capital (CAD $M)	Sustaining Capital (CAD $M)	Total Capital (CAD $M)
Mine [2,3]	298	0	600	898
Process Plant	461	447	64	972
Tailings	48	31	168	247
Utilities [3]	180	133	0	312
Infrastructure [3]	95	24	0	119
Indirect Costs [1]	124	87	-16	196
Owners Costs [1]	40	7	0	46
Contingency	111	71	0	182
Total	1,357	801	814	2,973

Notes:

1. Negative value represents release of first fills at end of project life.

Table 6: Initial Capital Costs by Area (Phase 1)

	Currency Composition			
Area	(CAD $M)	(USD $M)	(AUD $M)	Total Cost (CAD $M)
Area 1 - Mining	298	0.06	0	298
Area 2 - Crushing	43	14	0	61
Area 3 - Process	262	100	6	400
Area 4 - Concentrate Load Out	0.3	0.01	0	0.3
Area 5 - Tailings	46	2	0	48
Area 6 - Utilities	174	4	0	180
Area 7 - Onsite Infrastructure	79	0	0	79

Area 8 - Off-site Infrastructure	16	0	0	16
Sub-Total Directs	**918**	**119**	**6**	**1,082**
Area 9 - Indirect Costs	117	5	0.1	124
Area 10 - Owner's Costs	40	0	0	40
Sub-Total Indirects	**156**	**5**	**0**	**164**
Total Directs + Indirects	**1,075**	**124**	**6**	**1,246**
Area 11 - Escalation			Excluded	
Area 11 - Contingency	95	12	1	111
Total Project Costs	**1,169**	**136**	**7**	**1,357**

Table 7: Expansion Capital Costs by Area (Phase 2 only)

	Currency Composition		Total Cost	
Area	**(CAD $M)**	**(USD $M)**	**(AUD $M)**	**(CAD $M)**
Area 1 - Mining	0	0	0	0
Area 2 - Crushing	42	13	0	59
Area 3 - Process	256	99	0	388
Area 4 - Concentrate Load Out	0	0	0	0
Area 5 - Tailings	27	3	0	31
Area 6 - Utilities	127	5	0	133
Area 7 - Onsite Infrastructure	24	0	0	24
Area 8 - Off-site Infrastructure	1	0	0	1
Sub-Total Directs	**475**	**120**	**0**	**635**
Area 9 - Indirect Costs	80	5	0	87
Area 10 - Owner's Costs	7	0	0	7
Sub-Total Indirects	**88**	**5**	**0**	**95**
Total Directs + Indirects	**563**	**125**	**0**	**730**
Area 11 - Escalation			Excluded	
Area 11 - Contingency	55	12	0	71
Total Project Costs	**618**	**137**	**0**	**801**

Table 8: Sustaining Capital Costs by Area

	Currency Composition			
Area	**(CAD $M)**	**(USD $M)**	**(AUD $M)**	**Total Cost (CAD $M)**
Area 1 - Mining [2,3]	600	0	0	600
Area 2 - Crushing	0	0	0	0
Area 3 - Process	64	0	0	64
Area 4 - Concentrate Load Out	0	0	0	0
Area 5 - Tailings	168	0	0	168
Area 6 - Utilities [3]	0	0	0	0
Area 7 - Onsite Infrastructure [3]	0	0	0	0
Area 8 - Off-site Infrastructure	0	0	0	0
Sub-Total Directs	**831**	**0**	**0**	**831**
Area 9 - Indirect Costs [1]	-15.6	0	0	-15.6
Area 10 - Owner's Costs [1]	-0.7	0	0	-0.7
Sub-Total In-Directs	**-16.3**	**0**	**0**	**-16.3**

Total Directs + Indirects	**814**	**0**	**0**	**814**
Area 11 - Escalation			Excluded	
Area 11 - Contingency	0	0	0	0
Total Project Costs	**814**	**0**	**0**	**814**

Notes:

1. Negative value represents release of first fills at end of project life.

The update of the estimates are considered to have an overall accuracy of ±15% and assume the project will be developed on an EPCM basis.

The following parameters and qualifications are made:

- The estimate is based on Q1 2019 prices and costs (Canadian dollars) and exchange rates.
- Financing related charges (e.g., fees, consultants, etc.) are excluded.
- There is no escalation added to the estimate, other than the contingency.

Data for the 2019 feasibility study have been obtained from numerous sources, including:

- data from the 2013 Dumont Nickel-Cobalt Project feasibility study;
- feasibility level engineering design;
- mine schedules;
- topographical information obtained from site survey;
- geotechnical investigation;
- revised budgetary equipment quotes from multiple potential OEMs were asked again for the 2019 update;
- budgetary unit costs obtained in FS 2013 from local contractors for civil, concrete, steel, electrical and mechanical works indexed to 2019;
- data from recently completed similar studies and projects; and
- information provided by RNC, SRK, David Penswick and Wood.

Major cost categories (permanent equipment, material purchase, installation, subcontracts, indirect costs and Owner's costs) were identified and analyzed. To each of these categories, a percentage of contingency was allocated based on the accuracy of the data, and an overall contingency amount was derived in this fashion.

- ***Operating Cost Estimate***

Estimated operating costs for mining, process plant and general and administration ("**G&A**") for the Dumont Nickel-Cobalt Project are set out below. Costs are presented in Q1 2019 Canadian dollars, unless stated otherwise. The estimate is considered pre-feasibility study level with an accuracy of ±15%.

Operating costs were estimated in the following manner:

- Operating costs for the open pit were based on the production schedule, performance parameters for mining equipment as recommended by OEMs, the current cost of key consumables from supplier quotations, regional benchmark costs for other commodities and labour rates for the Abitibi region, as determined from a salary survey. Operating costs for the concentrator were based on rates of consumption for reagents and other consumables determined from metallurgical testwork and a labour structure that is appropriate for the current flowsheet.

- Operating costs for the concentrator were based on rates of consumption for reagents and other consumables determined from metallurgical test work and a labour structure that is appropriate for the current flowsheet.

- The operating cost estimate includes those costs associated with operating the TSF.

- G&A costs were based on the level of support required for the operation, including an organizational chart provided by the Owner.

- Costs for realization of nickel were based on the commercial terms, and the scheduled production of concentrate.

- Processing operating costs were typically calculated exclusive of variability from design throughputs (e.g., neglects ramp-up period, etc.). One notable exception is reagent consumption which was increased in the first year of operation to account for upsets during start-up and learning-curve period.

Table 9: A Summary of Life-of-Mine ("LOM") Operating Costs

	Units	52.5 kt/d Yr1-7	105 kt/d Yr8-19	LOM Average
Mine	$/t ore milled	$7.11	$5.46	$3.82
Process	$/t ore	$5.31	$5.20	$5.20
G&A	$/t ore	$0.97	$0.53	$0.54
Site Costs	$/t ore	$13.39	$11.19	$9.56
Site Costs	US$/t ore	US$10.04	US$8.40	US$7.17
Site Costs	US$/lb	US$2.83	$3.14	$3.07
Realization	US$/lb	US$0.15	$0.16	$0.16
C1 Cash Cost[1]	US$/lb	US$2.98	$3.30	$3.22

Note:

1. The Base Case design assumes roasting of concentrate, which will not produce payable by-product metals. An alternate case that considers treatment and refining with associated payable production of Co and PGEs is

Key assumptions used in generating the operating cost estimates are given below.

- C$ prices for goods and services obtained prior to the cost basis date of Q1 2019 have been escalated to this date using average Canadian producer price index.

- US$ denominated prices for goods and services obtained prior to the cost basis date of Q1 2019 have been escalated to this date using average US producer price index.

- Labour costs were estimated based on the organizational structure developed for each area and the rates of pay are based on wages and benefits at existing mining operations in the Abitibi region of Quebec and salary survey data collected by Management 360.

- Based on discussions with Hydro-Quebec, it has been assumed that the project would qualify for the "L Tariff", including discounts for sustainability. The forecast price varies over the life of project as a function of both the discount and demand, with the weighted average over the life of project expected to average $47.37/MWh.

- The forecast long-term diesel price of $0.89/litre is based on forecast long-term oil prices of US$60/bbl and a C$ F/X rate of US$0.75.

o ***Economic Analysis***

This economic analysis of the Dumont-Nickel Cobalt Project feasibility study focuses on the base case, which includes use of trolley-assisted truck haulage in the mine but does not include use of autonomous equipment. The base case also assumes nominal process plant throughput of 52.5 ktpd initially. A project to double capacity would start in Year 6 and process the first incremental ore 18 months later. It has been assumed that all concentrate produced would be sold to third parties for roasting at a facility located outside of the province of Quebec. With roasting, no revenues would be realized from by product cobalt or PGE. The base case also does not include the potential benefits from magnetite as a by-product.

Table 10: Feasibility Study Summary Metrics

	Unit	C$ Basis	US$ Basis
Ore Mined	Mt	1,028	1,028
Payable Ni	Mlbs	2,402	2,402
Gross Revenue	$/t ore	$25.60	$19.20
Realization [1]	$/t ore	$1.94	$1.45
Net Smelter Return	$/t ore	$23.66	$17.75
Site Operating Costs	$/t ore	$9.56	$7.17
C1 Costs [2]	$/lb Ni	$4.30	$3.22
EBITDA	$/t ore	$13.23	$9.92
Peak Funding Requirement [3]	$M	$1,386	$1,039
Total Investment [4]	$M	$3,047	$2,285
AISC [5]	$/lb Ni	$5.07	$3.80
Total Costs [6]	$/lb Ni	$5.94	$4.46
Pre-Tax NPV8%	$M	$6,725	$5,043
Post-Tax NPV8%	**$M**	**$1,226**	**$920**
Post-Tax IRR		**15.4%**	**15.4%**

Notes:

1. Realization includes the cost of concentrate transport and implied costs of metal deductions, 2. C1 Costs include Realization and Site Operating Expenditures, 3. Peak Funding represents the cumulative unlevered investment prior to generation of positive cash flow, 4. Total Investment includes all Capital and Closure expenses, 5. All In Sustaining Costs include C1 Costs, Royalties, IBA, Sustaining Capital and Closure expenses, 6. Total Costs include AISC, Initial Capital and Expansion Capital

In the feasibility study, the total life of project was subdivided into the following periods:

- Construction for a period of 24 months;

- Phase 1 production at a concentrator throughput rate of 52.5 kt/d for 78 months (6.5 years);

- Phase 2 production at a concentrator throughput of 105 kt/d and the open pit being operational, for 201 months (16.75 years); and

- Phase 2 production at a concentrator throughput of 105 kt/d following the completion of open pit mining, for an additional 81 months (6.75 years).

Summary metrics for each of these periods are presented in Table 11. It can be seen that the cumulative NPV to the end of pit life is US$806 M or 88% of the project total. The remaining 12% of project NPV ($112 M) is realized during the period that the only source of ore is the low-grade stockpile, with the benefits of lower costs offsetting lower grade and recovery.

Table 11: Summary of Economic Metrics by Period

Item	Construct	Phase 1 Yr1-7	Phase 2 Yr8-19	Phase 2 Yr20-30	Total
Ore Mined (Mt)	13	252	732	31	1,028
Total Mined (Mt)	42	614	1,361	63	2,080
Stripping Ratio (waste: ore)	2.33	1.43	0.86	1.05	1.02
Ore Milled (Mt)	0	122	477	429	1,028
Grade (% Ni)	0.00	0.33	0.28	0.23	0.27
Concentrator Recovery (% of Ni)	0.0	52.6	47.1	34.1	43.2
Payable Ni (Mlbs)	0	474	1,392	759	2,625
C1 Cash Costs (US$/lb Ni)	$0.00	$2.98	$3.30	$3.25	$3.22
Initial Capital (US$m)	$1,018	$0	$0	$0	$1,018
Expansion Capital (US$m)	$0	$601	$0	$0	$601
Total Investment (US$m)[1]	$1,063	$941	$251	$2	$2,256
Post-Tax NPV 8% (M)	**($922)**	**$449**	**$1,101**	**$291**	**$920**
Post-Tax IRR					**15.4%**

Notes:

1. Total investment includes expenditures of US$26m for Closure activities

- *Key Assumptions*

Key price assumptions included in the base case analysis are as follows:

- The forecast long term price for Nickel of US$7.75/lb is based on a market studies performed by the consulting groups CRU Strategies and Red Door Consulting.
- The forecast long term US$ exchange rate of US$0.75 is based on consensus projections of North American equity analysts.
- The forecast long term price for oil of US$60/bbl has been taken from consensus projections of North American equity analysts. Based on the current relationship between the prices of oil and diesel in the Abitibi, this oil price translates to a delivered cost of diesel at site of $0.89/litre.
- The weighted average LOM electricity prices is forecast to be $47/MWh, which is based on the current L-rate tariff for Quebec and Dumont's expected demand profile. This weighted average price also accounts for the rebate of up to 20% for the period to December 2027, for which Dumont would qualify.
- The forecast long term price for acid is $114/t, based on a market study performed by the consulting group CRU Strategies.

Key assumptions related to production included in the base case analysis are as follows:

- Each of the two process plant lines would ramp up to nameplate production of 52.5 kt/d over six months.

- The metallurgical recovery for Ni as forecast by the model is based on the Standard Test Program ("**STP**") of 105 samples. LOM recovery is forecast to average 43.2%, which takes into account a ramp-up of 6 months to achieve nameplate performance.

- Roaster deductions would be 8.5% of nickel contained in concentrate, for payability of 91.5%. This deduction would cover the cost of roasting, with no additional treatment or refining charge.

Working capital has been calculated based on the following (based on the prior experience of RNC management unless otherwise noted):

- Contractual terms for the sale of concentrate would make provision for payment for 90% of concentrate value within 30 days and the remaining 10% in 60 days.

- Accounts payable would be settled within 30 days.

- First fills for the mine and G&A areas have been calculated based on a stores holding of one month for all consumable items with the exception of tires (four months), diesel (five days) and electricity (no holding). No advance purchase of mine maintenance items would be required as these would be held on a consignment basis. First fills for the process plant have been calculated by Ausenco from first principles.

The calculated royalty payments include the assumption that the non-overlapping Coyle-Roby royalty of 2% and Marbaw royalty of 3% NSR royalties will be bought down to 1% and 1.5%, respectively, as is provided for in the contracts. The payment calculation also assumes that the 0.8% NSR royalty owned by Ressources Québec will be bought out while the 1.75% NSR royalty owned by Red Kite will be bought down to 1.375%. The LOM weighted average royalty rate, post buy-downs and buy-back, will be 2.77% of NSR.

The evaluation also includes the Impacts Benefit Agreement ("**IBA**") that has been negotiated with the local First Nation.

Results were calculated on a pre-tax and post-tax basis, based on the current fiscal regime.

- *Base Case Results*

Cash flow was determined for the life of the Dumont Nickel-Cobalt Project. Noteworthy aspects include the following:

- The peak funding requirement of $1,039 M is reached three months after the start-up of commercial operations. Note that the operation is forecast to be break-even on an operating cash flow positive during the first quarter of operation and free cash flow positive from the second quarter of operation. During the five years prior to the commencement of capital expenditure for the initial expansion phase of operation at 52.5 ktpd, annual post-tax free cash flow averages US$ 149m.

- The financial returns are unlevered and assume 100% of the initial capital will be provided from equity. However, it is likely that a portion of the capital will be provided from debt. The assumed timing of the expansion has been based on an assumed 5 year maturity for the initial debt package, during which time cumulative free cash flow equates to 75% of the total capital requirement. Approximately 66% of the total investment required for the expansion period (including non-expansion sustaining capital) would be generated from internal free cash flows, with additional funding of approximately US$202 M required. Following expansion to 105 kt/d, annual post-tax

free cash flow during the period that the Main Pit is operational averages approximately US$274 M.

- Payback of all invested capital (including the expansion) is achieved approximately eight years after initial start-up.

- For the final 11 years of the project life when mill feed is either primarily or entirely sourced from low grade stockpiles, annual free cash flow averages US$ 180M.

From the start-up of mill operations, free cash flow averages $201M per annum.

- *Sensitivity Analysis*

The project is most sensitive to factors impacting on revenue as well as the Canadian vs. US dollar exchange rate. A ±10% variation in any of the factors impacting revenue (Ni Price, Ni Recovery) is 37% and symmetric, with the percentage increase in NPV for higher revenue approximately 5-10% lower than the percentage decrease for lower revenue. Note that variation in recovery is on a relative and not an absolute basis. A change in exchange rate also produces asymmetric outcomes, with the upside from a 10% decrease in the exchange rate (a 25% improvement in NPV) is 7% less than the reduction in NPV resulting from a 10% strengthening in exchange rate (30% decrease in NPV). Payables represents a ±10% change to the smelter deduction (base case assumption is 8.5%), with a 10% change resulting in a symmetric variation in NPV of 4%.

The project returns are less sensitive to the variation of other parameters – with a 10% variation in site operating costs having a 16% impact on project NPV. With the staged development plan, returns are less sensitive to capital costs and a 10% change in total capital cost has a lower impact, at only 12% of NPV, while the impact of a similar variation in initial capital is half as much at 6%. The three largest single elements of operating costs are Electricity (21% of total operating expenditures), Labour (16% of total operating expenditures) and Diesel (11% of total operating expenditures). Returns are marginally more sensitive to the cost of labour than that of electricity, which reflects the respective profiles in complement and power consumption. Returns are relatively insensitive to variation in the diesel price – in part due to the use of trolley assist to minimize diesel consumption.

The post-tax breakeven Ni prices (NPV = $0) are as follows:

- NPV0% = US$ 4.38/lb; and

- NPV8% = incentive Ni price (NPV = $0) is US$5.86/lb.

Exploration, Development and Production

- ***Project Implementation***

Since completion of the feasibility study, economic conditions have impacted and are continuing to impact the timing of the financing process as well are the foregoing milestones. Taking such delays into consideration, RNC has targeted the following key milestones to achieve the development of the Dumont Nickel-Cobalt Project:

- Completion of partnership and financing arrangements;

- Estimated construction schedule of 24 months post securing of financing and completion of detailed engineering; and

- Project commissioning is expected to begin in ten to eleven quarters after financing is in place.

RNC will also continue to work with the local community to maintain excellent communications and relationships throughout all phases of the Dumont project development.

See also "*Risk Factors*", generally and "*Risk Factors – Funding Needs, Financing Risks and Dilution" and "Risk Factors – Permitting Risk*s" of the AIF, specifically.

- ***Recommendations***

There are some areas which require further works that may reduce the risk profile of the DFR option. It is recommended that the following additional works be undertaken, including:

- Further piloting test work is required to generate, investigate or confirm parameters and design criteria developed and assumptions made for the inclusion of the Woodgrove DFR cells in the Dumont flow sheet. Test work should be conducted on ore types with variable serpentine and brucite content.

- A review of the data from previous Woodgrove pilot tests and plant trials and operating data from the various plants with SFRs/DFRs installed would also be very beneficial (depending on any confidentiality considerations).

- Continue to develop the DFR circuit to provide additional confidence in relation to the layout and equipment costs. Footprint estimates are considered preliminary and equipment costs are budget prices only. A formal enquiry with duty specifications should be issued to Woodgrove to provide greater certainty around these items.

- Investigate alternative layout options to reduce circuit complexity and costs. Layouts options include: relocating the regrind ball mill from the grinding building to within the DFR flotation building; and assuming the current project flotation buildings sizes which can install the entire DFR flotation circuit for the expanded throughput of 105 kt/d.

The DFR piloting test work can be completed within the schedule timeline within delays to the overall project schedule. An improved project schedule is achievable due to the shortened equipment leads times, less bulk materials, and resulting reduction in the construction and installation of the DFR cells.

APPENDIX "B"
ROYAL NICKEL CORPORATION
AUDIT COMMITTEE CHARTER

1.0 PURPOSE

The Audit Committee (the "**Committee**") of Royal Nickel Corporation (the "**Company**") has been established by the Board of Directors of the Company (the "**Board**") for the purposes of assisting the Board in its oversight and evaluation of:

1.1 External Auditors

The external auditor's qualifications, independence and performance of, and recommending to the Board the appointment of, the Company's external auditor.

1.2 Risk Management

Risk management including the Company's major financial risks and financial reporting exposure.

1.3 Financial Statements and Other Financial Information

The financial reporting process and the quality, transparency, integrity, timeliness and accuracy of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and/or the public.

1.4 Internal Controls, Disclosure Controls and Reporting

The Company's internal controls over financial reporting. Reviewing any reports on internal control from the external auditors or third-party review of financial reporting.

1.5 Legal and Regulatory Compliance

The Company's compliance with legal and regulatory requirements with respect to financial statements and financial reporting.

1.6 Non-Audit Services

Overseeing the non-audit services provided by the external auditor in accordance with the Company's Audit and Non-Audit Services by External Auditors Policy.

1.7 Evaluation

Annually evaluating the performance of the Committee in light of the requirements of this Audit Committee Charter (the "**Charter**").

2.0 COMPOSITION

2.1 Members

The Committee shall consist of as many members as the Board shall determine, but in any event, not fewer than three (3) members. The Board shall appoint the members of the Committee annually.

2.2 Qualifications

2.2.1 Each member of the Committee shall be an independent director of the Company within the meaning of National Instrument 52-110 - Audit Committees.

2.2.2 Each member of the Committee shall be financially literate, meaning each member, at the time of his/her appointment, as prescribed by applicable rules and regulations of securities regulatory authorities and/or stock exchanges.

2.3 Chair

Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee.

2.4 Removal and Replacement

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be an independent director. The Board may fill vacancies on the Committee by election from among the Board. If, and whenever, vacancies shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains or a Reduced Quorum (defined below) is present in respect of a specific Committee meeting.

3.0 OPERATIONS

3.1 Meetings

The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four (4) times per year coinciding with the Company's financial reporting cycle. The Committee shall meet within forty-five (45) days following the end of each of the first three financial quarters and shall meet within ninety (90) days following the end of the financial year.

3.2 Independent Meetings

At each meeting of the Committee, the Committee members shall meet independently, with only members of the Committee, for at least a portion of the meeting. The Committee shall meet separately with the external auditor, at least quarterly. The Committee shall meet separately with management quarterly or as frequently as necessary or desirable. The Committee will keep minutes of its meetings which shall be available for review by the Board.

3.3 Quorum

Quorum for the transaction of business at any meeting of the Committee shall be a majority of the number of members of the Committee. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, then, at the discretion of the members then present, the quorum for the adjourned meeting shall consist of the members then present (a "**Reduced Quorum**").

3.4 Notice

Meetings of the Committee may be called by any member of the Committee, the Executive Chairman and CEO, the Lead Director of the Board (the "Lead Director") (if appointed) or the CFO of the Company. Not less than twenty-four (24) hours notice shall be given, provided that notice may be waived by all members of the Committee.

3.5 Participation

Members may participate in a meeting of the Committee in person or by means of telephone, web conference or other communication equipment. The Committee may invite such other directors, officers and employees of the Corporation and such other advisors and persons as is considered advisable to attend any meeting of the Committee. For greater certainty, the Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Committee.

3.6 Agenda

The Chair of the Committee, with the assistance of the CFO, shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall be, to the extent practical, communicated to members of the Committee sufficiently in advance of each meeting to permit meaningful review. The Committee will keep minutes of its meetings which shall be available for review by the Board. Except in exceptional circumstances, draft minutes of each meeting of the Committee shall be circulated to the Committee for review within 14 days following the date of each such meeting.

3.7 Voting

Any matter to be determined by the Committee shall be decided by a majority of the votes cast at a meeting of the Committee called for such purpose. Any action of the Committee may also be taken by an instrument or instruments in writing signed by all of the members of the Committee (including in counterparts, by facsimile or other electronic signature) and any such action shall be as effective as if it had been decided by a majority of the votes cast at a meeting of the Committee called for such purpose. In case of an equality of votes, the matter will be referred to the Board for decision.

3.8 Report to the Board

The Committee shall report regularly, which shall be at least quarterly, to the entire Board. The Chair of the Committee shall prepare and deliver the report to the Board. The Committee's report by the Chair may be a verbal report delivered to the Board at a duly called Board meeting.

3.9 Assessment of Charter

The Committee shall review and reassess the adequacy of this Charter on an annual basis or as required and recommend any proposed changes to the Board for approval.

4.0 CHAIR

4.1 The Chair should:

4.1.1 provide leadership to the Committee and oversee the functioning of the Committee;

4.1.2 chair meetings of the Committee (unless not present), including in-camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations and decisions of the Committee and otherwise at such times and in such manner as the Chair considers advisable;

4.1.3 ensure that the Committee meets at least four times per financial year of the Corporation, and otherwise as is considered advisable;

4.1.4 in consultation with the Chairman of the Board, the Lead Director, if any, and the members of the Committee, establish dates for holding meetings of the Committee;

4.1.5 set the agenda for each meeting of the Committee with input from other members of the Committee, the Chairman of the Board, the Lead Director, if any, and any other appropriate individuals;

4.1.6 ensure that Committee materials are available to any director upon request;

4.1.7 act as a liaison, and maintain communication, with the Chairman of the Board, the Lead Director, if any, and the Board to co-ordinate input from the Board and to optimize the effectiveness of the Committee;

4.1.8 report annually to the Board on the role, mandate, and effectiveness of the Committee, in respect of contributing to the objectives of the Board and the Corporation;

4.1.9 assist the members of the Committee to understand and comply with the responsibilities contained in this mandate;

4.1.10 foster ethical and responsible decision making by the Committee;

4.1.11 oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time;

4.1.12 ensure appropriate information is requested from the officers of the Corporation and is provided to the Committee to enable it to function effectively and comply with this mandate;

4.1.13 ensure that appropriate resources and expertise are available to the Committee;

4.1.14 ensure that the Committee considers whether any independent counsel or other experts or advisors retained by the Committee are appropriately qualified and independent in accordance with applicable laws;

4.1.15 facilitate effective communication between the members of the Committee and the officers of the Corporation;

4.1.16 attend, or arrange for another member of the Committee to attend, each meeting of the shareholders of the Corporation to respond to any questions from shareholders that may be asked of the Committee; and

4.1.17 perform such other duties as may be delegated to the Chair by the Committee or the Board from time to time.

5.0 RESPONSIBILITIES

5.1 Auditor Qualification and Independence

5.1.1 The Committee shall be directly responsible for overseeing the work of the external auditor for the purpose of issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

5.1.2 The Committee shall review and evaluate the external auditor's independence, experience, qualification and performance and determine whether the external auditor should be appointed or re-appointed and make a recommendation to the Board for the external auditor to be nominated for appointment or re-appointment by the shareholders.

5.1.3 The Committee shall pre-approve or approve, if permitted by law, the appointment of the external auditor to provide any audit and audit-related services or non-prohibited non-audit services and, if desired, establish detailed policies and procedures for the pre-approval of audit and audit-related services and non-prohibited non-audit services by the external auditor, including procedures for the delegation of authority to provide such approval to one or more members of the Committee.

5.1.4 The Committee shall review the terms of the external auditor's engagement and the appropriateness and reasonableness of the proposed audit fees.

5.1.5 The Committee shall obtain and review with the lead audit partner of the external auditor, at least quarterly as the Committee considers appropriate, a report by the external auditor:

(a) describing the external auditor's internal quality control procedures;

(b) describing any material issues raised by the most recent internal quality control review, or peer review, of the external auditor, or by any inquiry, review or investigation by governmental, regulatory or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditor, and any steps taken to deal with any issues raised in any such review;

(c) describing all relationships between the external auditor and the Company in order to assess the external auditor's independence; and

(d) confirming that the external auditor has complied with applicable laws with respect to the rotation of members of the audit engagement team.

5.1.6 The Committee shall review and evaluate the lead audit partner of the external auditor.

5.1.7 The Committee shall pre-approve the hiring of any partner, employee or former partner and employee of the external auditor who was a member of the Company's audit team during the preceding two fiscal years. In addition, the Committee shall pre-approve the hiring of any partner, employee or former partner or employee of the external auditor within the preceding two fiscal years for senior positions within the Company, regardless of whether that person was a member of the Company's audit team.

5.2 Financial Statements and Related Disclosure

5.2.1 The Committee shall meet with the external auditor as frequently as the Committee feels is appropriate to fulfill its responsibilities, which will not be less than quarterly, to discuss any items of concern to the Committee or the external auditor, including:

(a) planning and staffing of the audit;

(b) any material written communication between the external auditor and management;

(c) whether or not the auditor is satisfied with the quality and effectiveness of financial reporting procedures and systems;

(d) whether or not the external auditor has received the full co-operation of management;

(e) the external auditor's views as to management's competency in preparing the Company's financial statements;

(f) the items required to be communicated to the Committee in accordance with the generally accepted auditing standards;

(g) all critical accounting policies and practices to be used by the Company;

(h) all material alternative treatments of financial information within International Financial Reporting Standards (IFRS) that have been discussed with management, ramifications of the use of these alternative disclosures and treatments and the treatment preferred by the external auditor; and

(i) any difficulties encountered in the course of the audit or review work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with management and management's response.

5.2.2 The Committee shall review and, where appropriate, recommend for approval by the Board, the following:

(a) audited annual financial statements;

(b) interim financial statements;

(c) annual and interim management discussion and analysis of financial condition and results of operation;

(d) annual and interim news releases respecting financial condition and results of operation; and

(e) all other audited or unaudited financial information contained in public disclosure documents;

5.2.3 The Committee shall review the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.

5.2.4 The Committee shall review the effectiveness of management's policies and practices concerning financial reporting and any proposed changes in major accounting policies.

5.2.5 The Committee shall review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements.

5.2.6 The Committee shall review with management any related party transactions and ensure such related party transactions are appropriately disclosed.

5.3 Internal and Disclosure Controls and Reporting

5.3.1 The Committee shall review the adequacy of the internal controls over financial reporting that has been adopted by the Company and any special steps adopted in light of significant deficiencies or material weaknesses.

5.3.2 The Committee shall review disclosures made to the Committee by the Company's Executive Chairman and CEO and CFO during their certification process for quarterly and annual securities law filings about any significant deficiencies or material weaknesses in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or disclosure controls, and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting or disclosure controls.

5.3.3 The Committee shall review and confirm with management that material financial information about the Company that is required to be disclosed under applicable law and stock exchange rules is disclosed, and review the public disclosure of financial information extracted or derived from the Company's financial statements.

5.3.4 The Committee shall review and discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

5.3.5 The Committee shall oversee a whistleblower policy that provides an effective mechanism for the provision by employees and other applicable stakeholders of any concerns or other feedback, and for communication of any such concerns or feedback to the Board.

5.4 Legal and Regulatory Compliance

5.4.1 The Committee shall, as it determines appropriate, obtain reports from management that the Company is in compliance with applicable legal requirements and shall review with management any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial reporting of which the Committee is made aware.

5.4.2 The Committee shall establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

5.4.3 The Committee shall review any required disclosure in public documents with respect to the Committee and its functions, including the disclosure required in the Annual Information Form under National Instrument 52-110.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight function.

6.0 AUTHORITY

6.1 Delegation

The Committee has the power to delegate its authority and duties to a subcommittee or individual members of the Committee, as it deems appropriate.

6.2 Advisors

The Committee may retain, and determine the fees of, independent counsel and other advisors, in its sole discretion.

6.3 Access to Records and Personnel

In discharging its oversight role, the Committee shall have full access to all Company books, records, facilities and personnel.

6.4 Clarification of Audit Committee's Role

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare financial statements in accordance with applicable law and regulations and of the Company's external auditor to audit or review those financial statements. Therefore, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Committee by such persons or organizations.