

TSX : RNX

RNC MINERALS



**Focused on Value Creation**

September 27, 2016

## **Cautionary Statements Concerning Forward-Looking Statements**

This presentation provides certain financial measures that do not have a standardized meaning prescribed by IFRS. Readers are cautioned to review the stated footnotes regarding use of non-IFRS measures.

This presentation contains "forward-looking information" including without limitation statements relating to the guidance for production; costs of sales, C1 cash costs, all-in sustaining costs and capital expenditures, and relating to the potential of the Beta Hunt Mine and the Reed Mine.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could affect the outcome include, among others: future prices and the supply of metals; the results of drilling; inability to raise the money necessary to incur the expenditures required to retain and advance the properties; environmental liabilities (known and unknown); general business, economic, competitive, political and social uncertainties; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; or delays in obtaining governmental approvals, projected cash costs, failure to obtain regulatory or shareholder approvals. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at [www.sedar.com](http://www.sedar.com).

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## **Cautionary Statement Regarding the Beta Hunt Mine**

The decision by SLM to produce at the Beta Hunt Mine was not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. It is further cautioned that the PEA is preliminary in nature and includes inferred resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. No mining feasibility study has been completed on Beta Hunt. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

## **Cautionary Note to U.S. Readers Regarding Estimates of Resources**

This presentation uses the terms "measured" and "indicated" mineral resources and "inferred" mineral resources. The Company advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by the SEC. The estimation of "measured" and "indicated" mineral resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. The estimation of "inferred" resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. It cannot be assumed that all or any part of a "measured", "inferred" or "indicated" mineral resource will ever be upgraded to a higher category.

Under Canadian rules, estimates of "inferred mineral resources" may not form the basis of feasibility studies, pre-feasibility studies or other economic studies, except in prescribed cases, such as in a preliminary economic assessment under certain circumstances. The SEC normally only permits issuers to report mineralization that does not constitute "reserves" as in-place tonnage and grade without reference to unit measures. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part or all of a "measured", "indicated" or "inferred" mineral resource exists or is economically or legally mineable. Information concerning descriptions of mineralization and resources contained herein may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

# Highly Experienced Management Team & Board



## DIRECTORS

<b>SCOTT M. HAND</b>	Former Chairman & CEO of Inco Limited
<b>PETER GOUDIE</b>	Former Executive Vice President, Marketing at Vale Inco and Inco Limited
<b>PETER C. JONES</b>	Former President & COO of Inco Limited
<b>FRANK MARZOLI</b>	Chairman, President and CEO of Marbaw International Nickel Corporation
<b>GILLES MASSON</b>	Former Partner at PricewaterhouseCoopers LLP (25 years)
<b>DONALD MCINNES</b>	Vice-Chairman of Alterra Power Corp., Chairman of the Clean Energy Association of British Columbia, and Co-founder of Oxygen Capital Corp.



## MANAGEMENT

<b>MARK SELBY</b> <i>President &amp; CEO</i>	Over 20 years mining industry experience and has been President and CEO of RNC since February 2014 Former VP, Strategy at Inco Limited and Vice President, Business Planning at Quadra
<b>TIM HOLLAAR</b> <i>Chief Financial Officer</i>	Over 20 years' experience in mining industry finance positions Has served in senior finance and marketing positions with several nickel companies
<b>ALGER ST-JEAN</b> <i>Vice President, Exploration</i>	15 years in the mining industry, primarily focused on nickel Former Senior Geologist with Xstrata Nickel (formerly Falconbridge)
<b>JOHNNA MUINONEN</b> <i>Vice President, Operations</i>	Strong technical and operating mineral processing background; 9 years at Vale Inco / Inco limited Recently in project management group in Vale Inco, project leader for Vale ultramafic project
<b>CHRISTIAN BROUSSEAU</b> <i>Project Director</i>	20 years of engineering and construction experience in the Canadian mining industry Held senior project roles at Detour Gold, Osisko and Falconbridge

# RNC: Recent Acquisitions Create A Low-Cost Gold-Copper-Nickel Producer



## **Beta Hunt Mine (100%):**

- 2016 production guidance Gold: 35-45koz
- Beta Hunt pre-commercial production for Q2 16 was 7.6 koz (5.4 koz of gold sold), 35% and 58% increases, respectively, compared to Q1
- Located in prolific and established mining district of Kambalda in Western Australia
- Q3 target run-rate of 42-44koz and ramping up towards ~60koz of gold annually by year end
- Third major gold zone discovered, significant exploration potential

## **Asset Portfolio**

### **Reed Mine (30% interest):**

- 2016 Production Guidance:  
Copper: 4.0-4.5 kt; Gold: 0.5-0.75koz (30% basis)  
Cash flow positive at today's copper prices
- Estimated \$4.4 million cash generated during Q2 2016 and a further \$1.4 million in July 2016

### **Dumont:**

- Structurally low cost, large scale shovel ready project – permits, feasibility study complete
- 3<sup>rd</sup> largest nickel reserve in the world
- Located in Abitibi region of Quebec – one of world's leading mining jurisdictions

### **True North Nickel (68% owned by RNC)**

- West Raglan – Advanced high grade Ni-Cu-PGM property located in northern Quebec
- Qiqavik – New high grade gold mineralization discovery adjacent to West Raglan Project



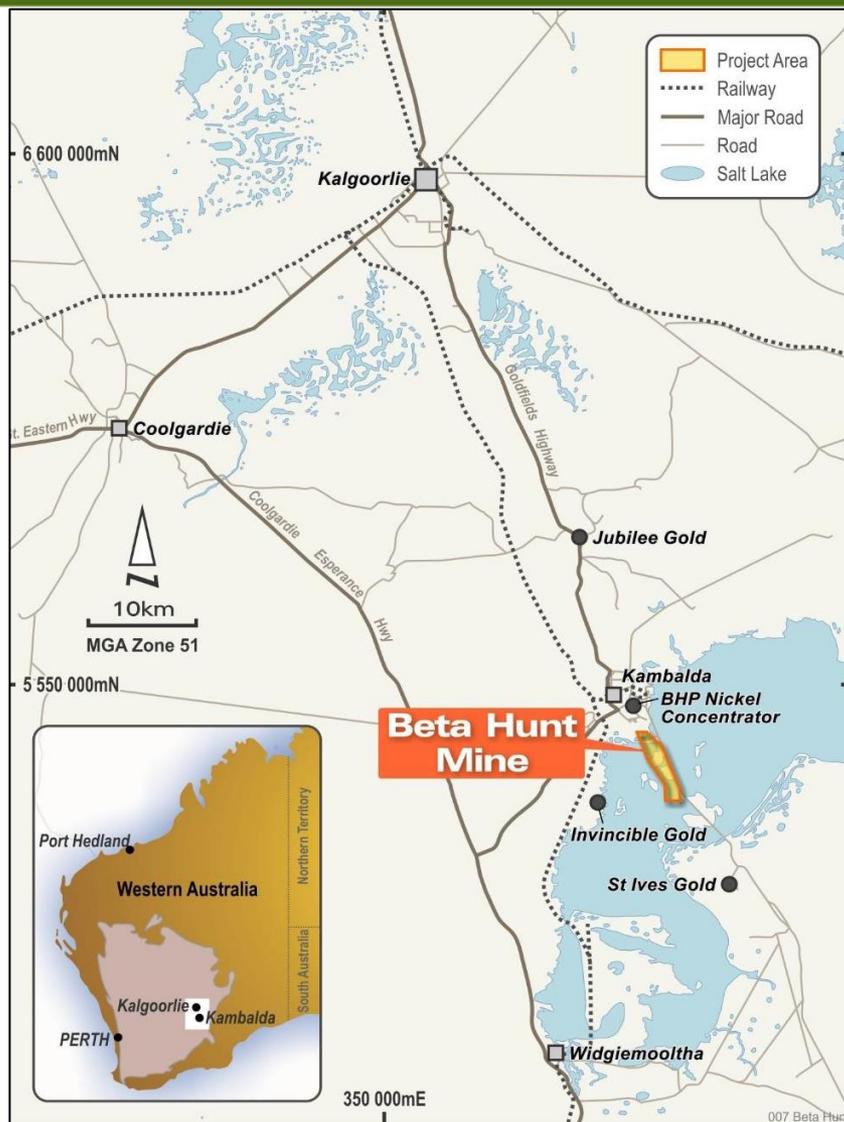
High grade gold sample from Beta Hunt Mine

## Beta Hunt Ramp Up

Beta Hunt began gold production in late 2015 and is ramping up towards the initial production target of 60 koz annually by year-end 2016



# Beta Hunt Mine: Excellent Location in Established Mining Camp, Close to Nickel and Gold Mills



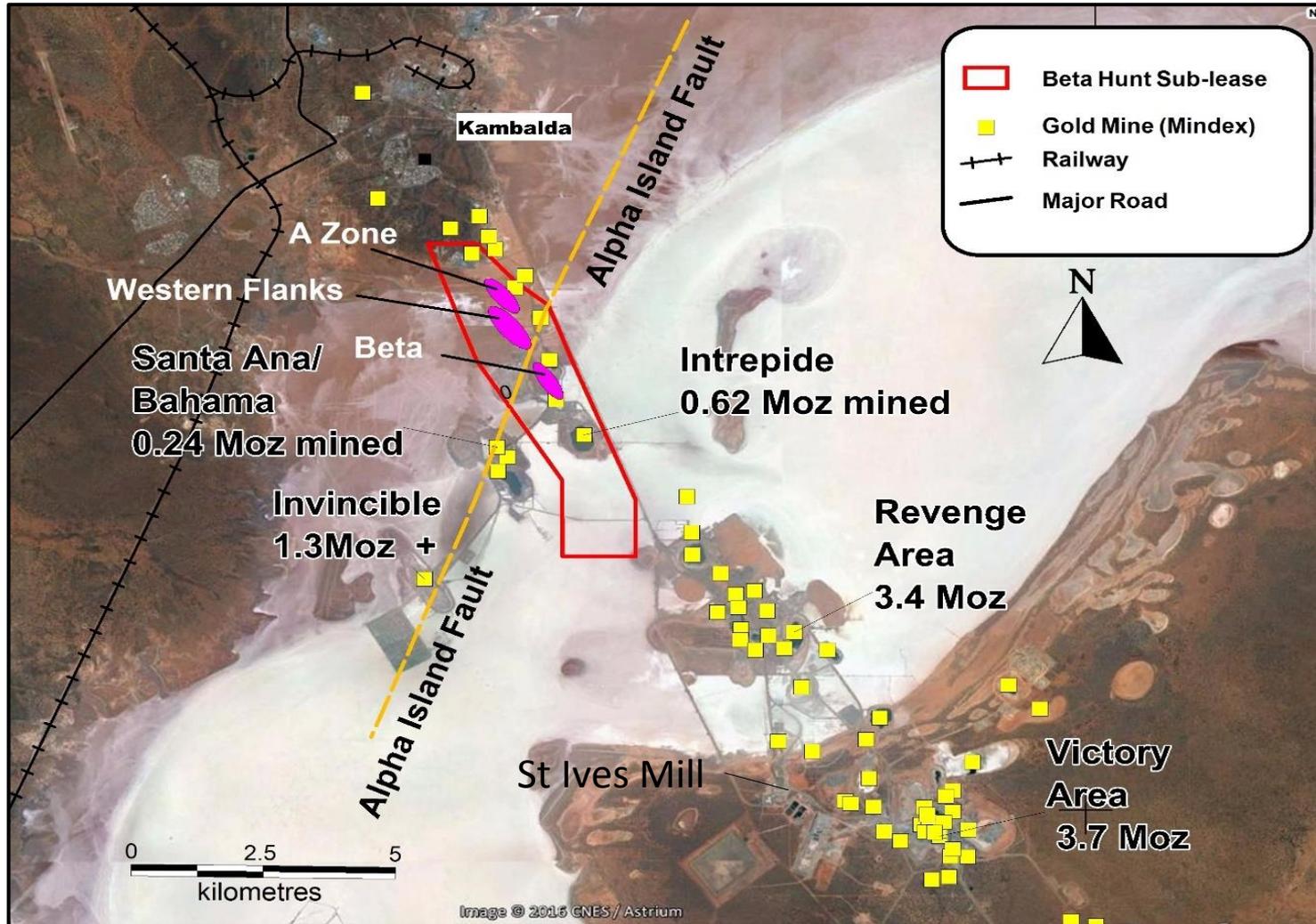
- 600 km east of Perth, Western Australia
- Kalgoorlie goldfield – 85 Moz since 1890
- Kambalda Ni – 1,400 kt Ni over 50 years
- Long established major mining centre
- Large local mining workforce & service industry



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt Mine: Located In a Prolific Gold Mining Region

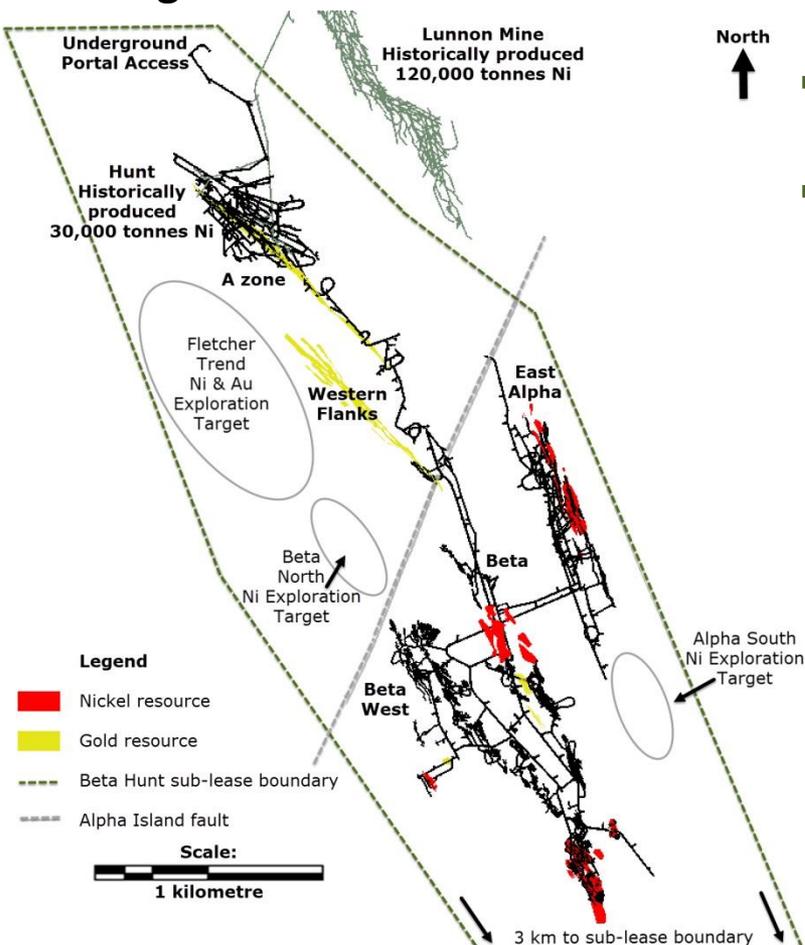
Gold deposits along the Alpha Island Fault



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt Mine: Existing Ramp Infrastructure in Close Proximity To Gold & Nickel Resources

**Beta Hunt is an exceptional mine with significant gold resource potential near existing underground infrastructure**



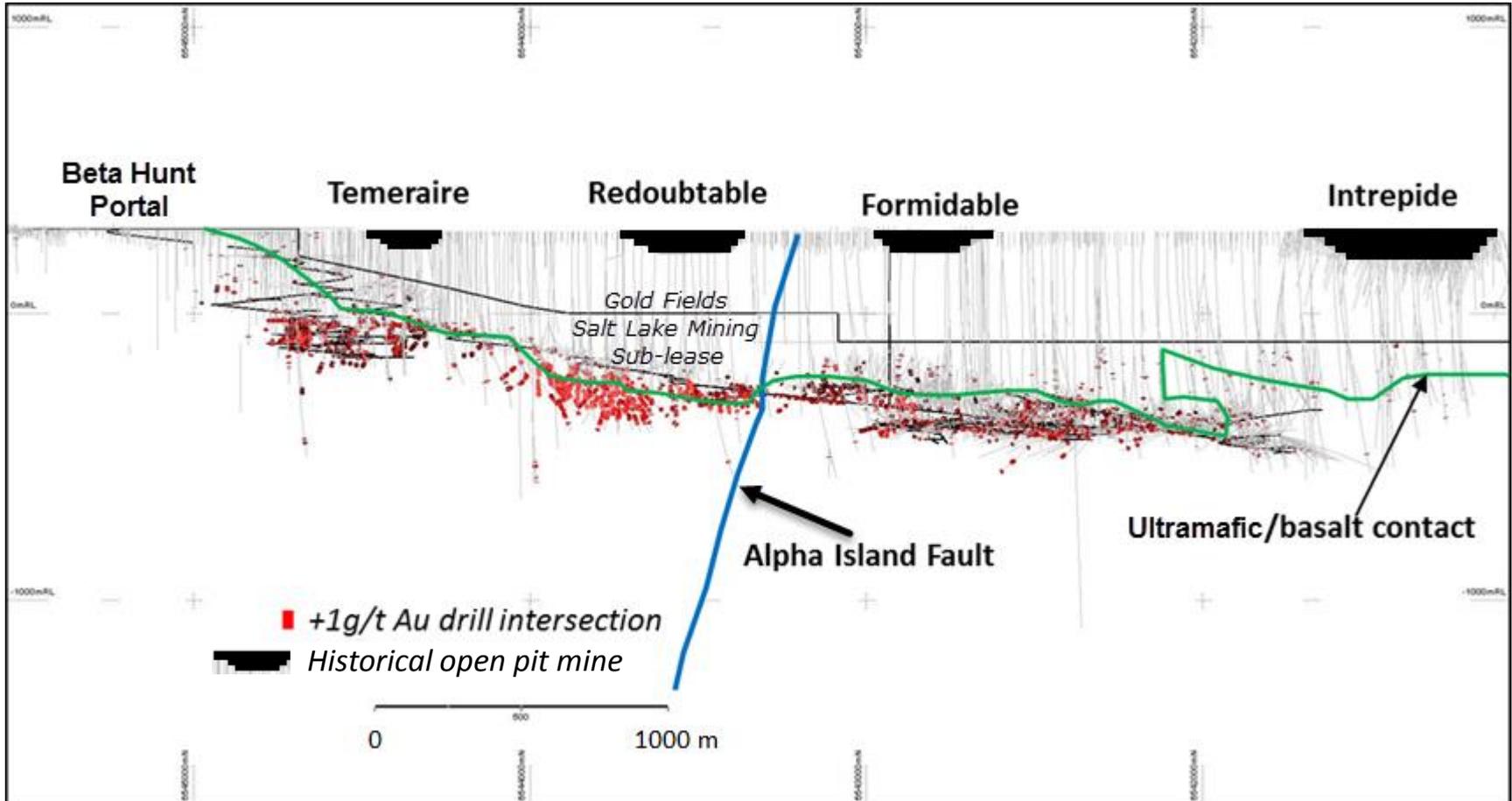
- Significant infrastructure in place – 5+ km under ground ramp
- Significant potential for resource expansions at relatively low cost and in close proximity to mine infrastructure provide future growth options
  - Recently filed PEA has 92 koz Indicated Resource and a further 321 koz Inferred Resource in A Zone, Western Flanks and Beta areas
  - Exploration resource target: 300-550 koz
    - Significant potential for extensions to known resources along strike and at depth
  - Potential for additional parallel structures
  - Bonanza potential at “Hand of Faith”, potential for multiple “Hand of Faith” areas

*It should be noted that the identified Exploration Targets are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The identified potential of the Exploration Targets are is not being reported as part of any Mineral Resource or Mineral Reserve.*

Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt Mine: Historically, Focus Has Been On Nickel Exploration and Production

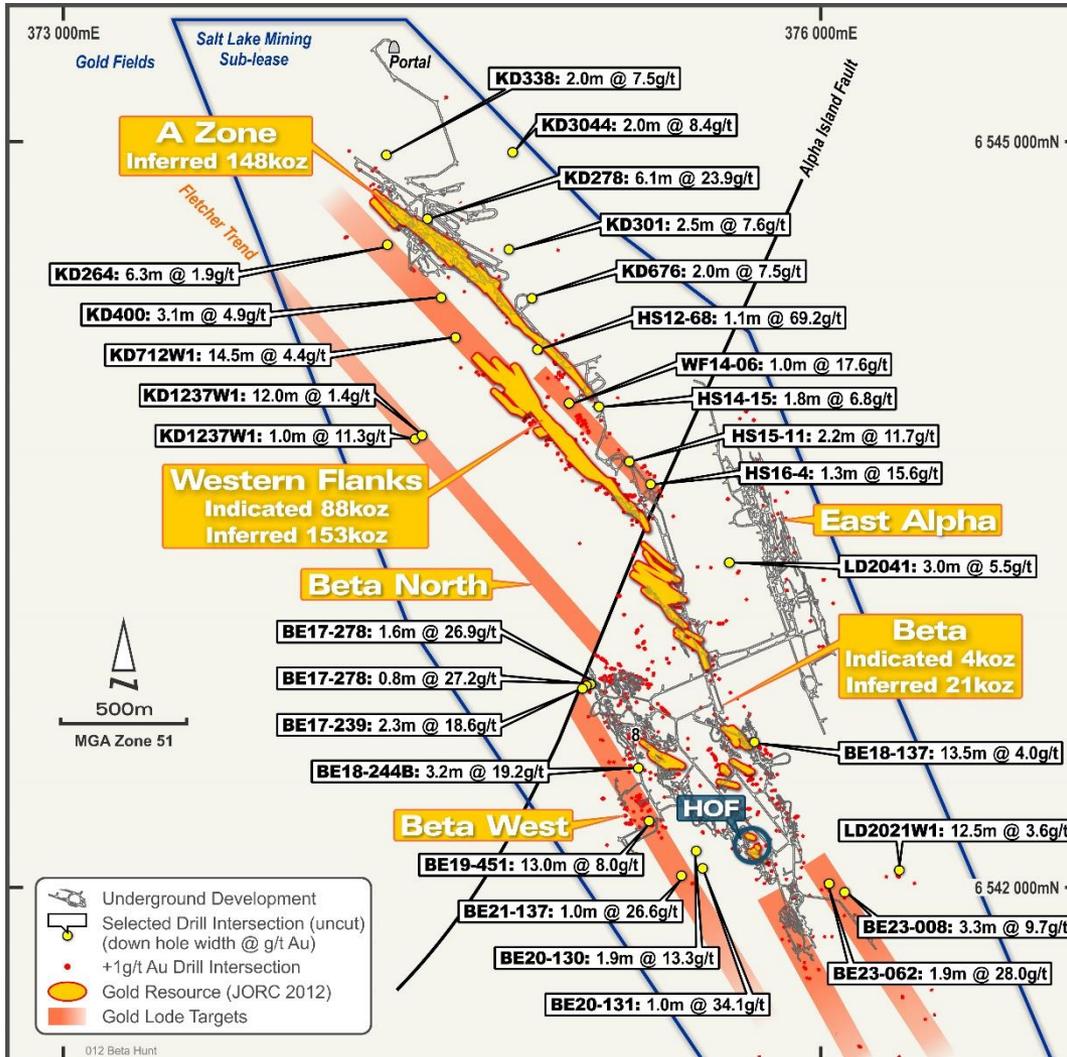
- Historical nickel focus is reflected by ~675km of drilling that targeted nickel troughs on ultramafic/basalt contact
- Very limited drilling greater than 100 m below contact where gold is located
- Last significant gold mining by WMC in 1985



Source: Salt Lake Mining

# Beta Hunt: Significant Potential for Parallel Structures AND to Extend Known Resources Along Strike ...

## Plan view of gold targets and drill intersections



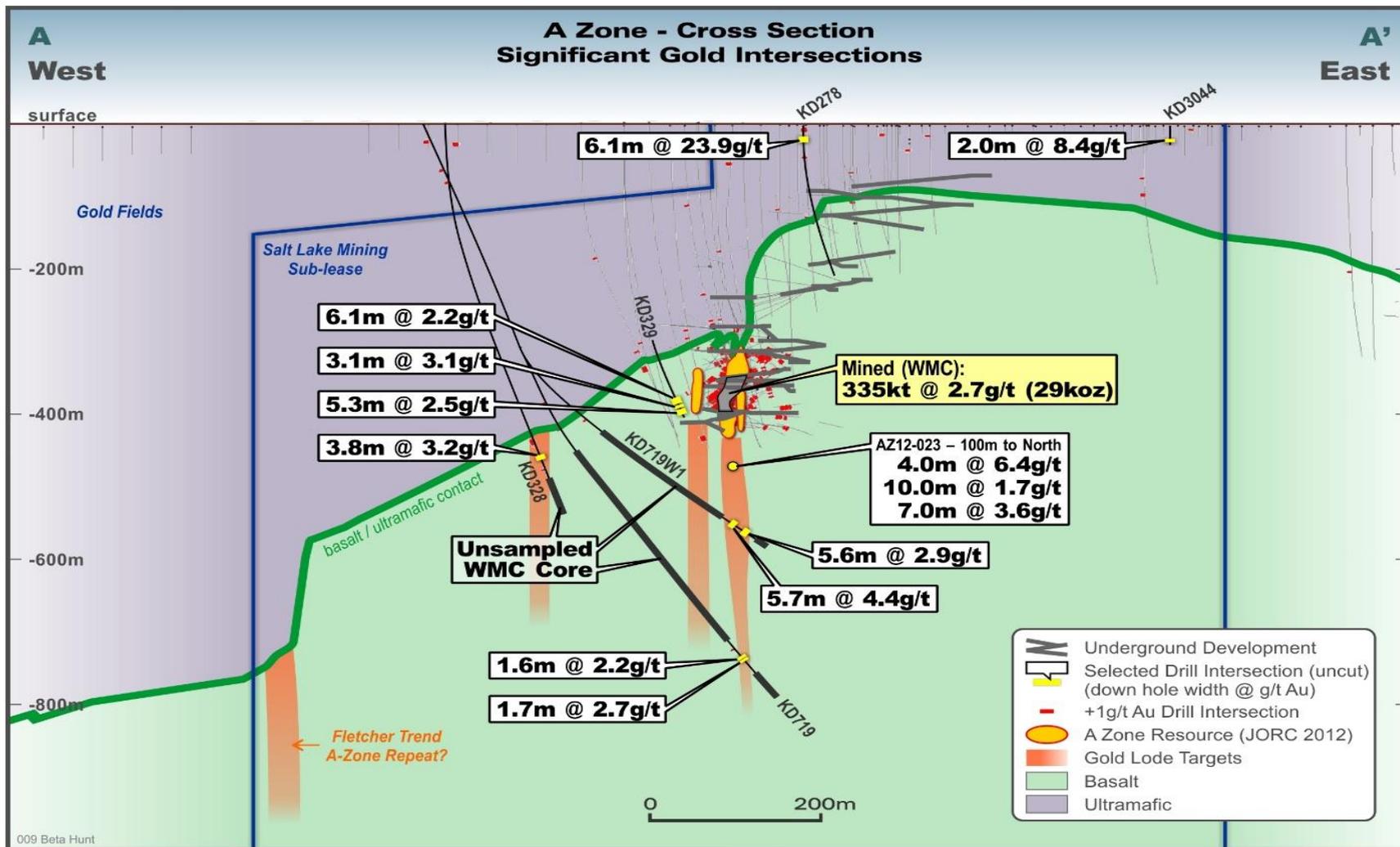
Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

## Beta Hunt Mine Exploration Potential

- Significant number of high grade gold drill intersections outside current resource
- Excellent potential for resource growth along strike, down dip/plunge and parallel/repeat gold lodes
- Fletcher trend identified as a conceptual repeat of A Zone and Western Flanks and is defined by a 150 m fault offset from surface drilling

## ... And Extend Known Resources at Depth

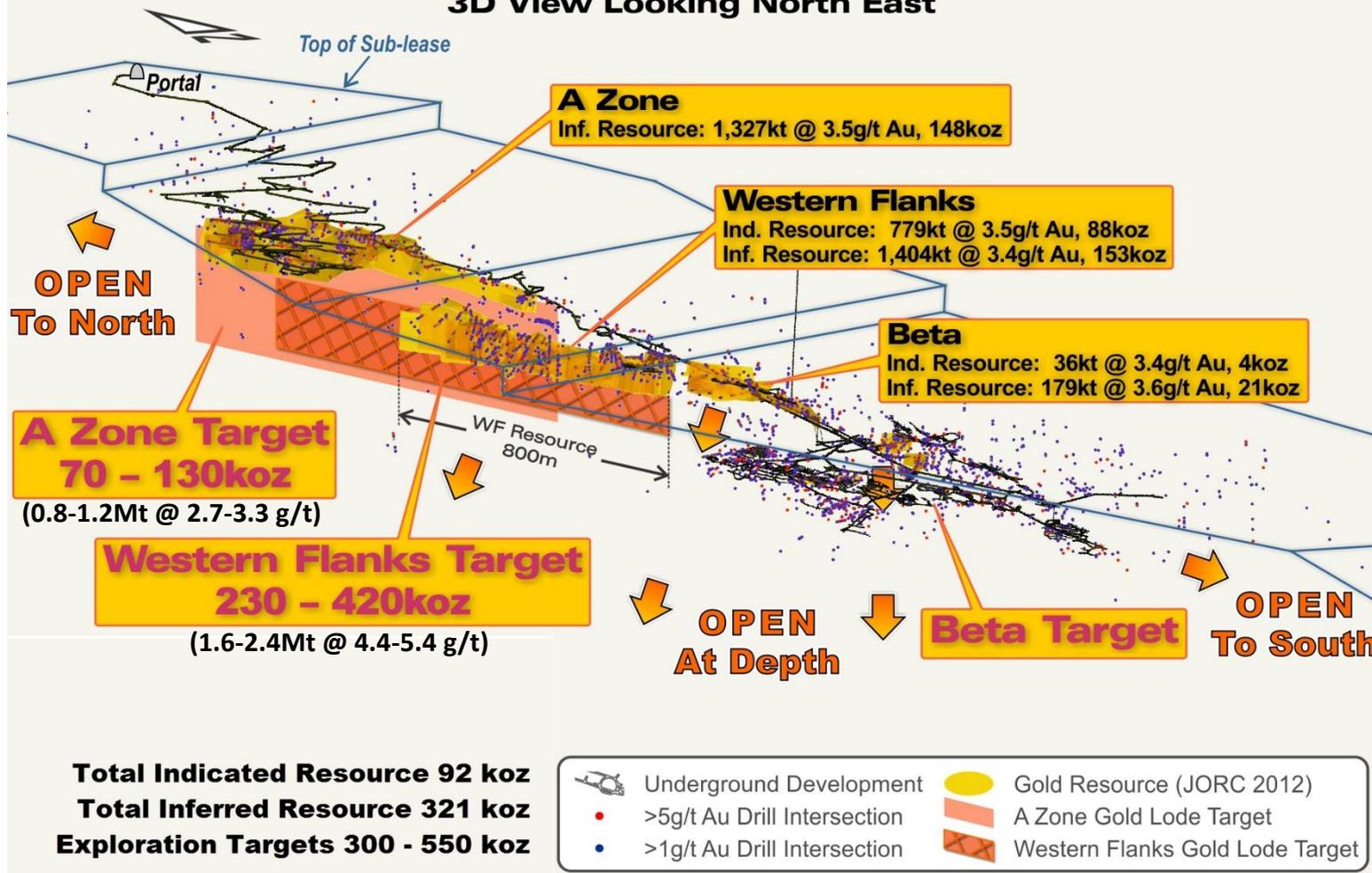
A Zone Cross Section highlighting targets at depth and along strike



Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Beta Hunt: Significant Exploration Potential - Targets

## Beta Hunt Sub-lease Exploration Targets 3D View Looking North East

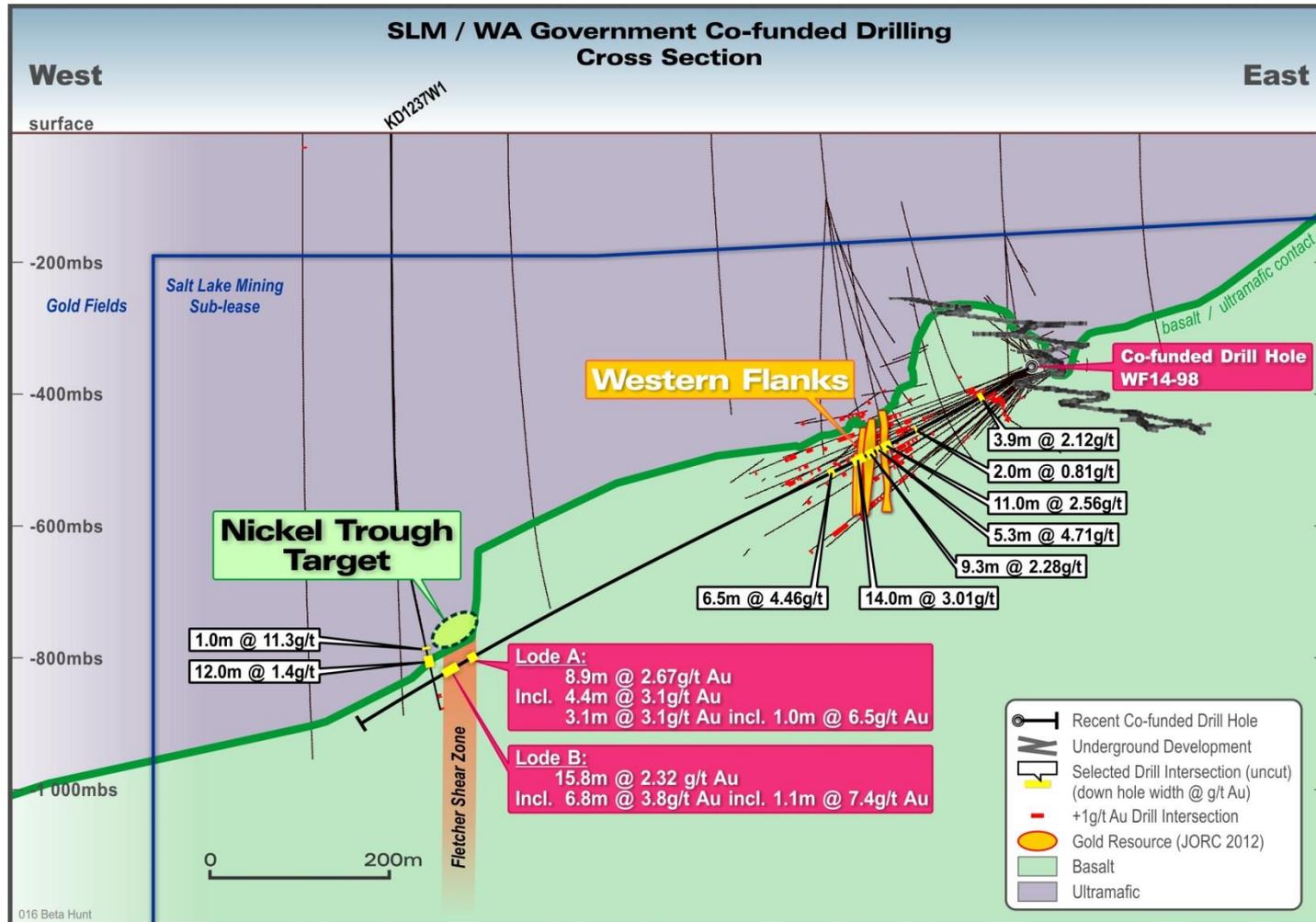


*It should be noted that the identified Exploration Targets are conceptual in nature and there has been insufficient exploration to define them as Mineral Resources, and, while reasonable potential may exist, it is uncertain whether further exploration will result in the determination of a Mineral Resource under NI 43-101. The identified potential of the Exploration Targets are is not being reported as part of any Mineral Resource or Mineral Reserve.*

Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

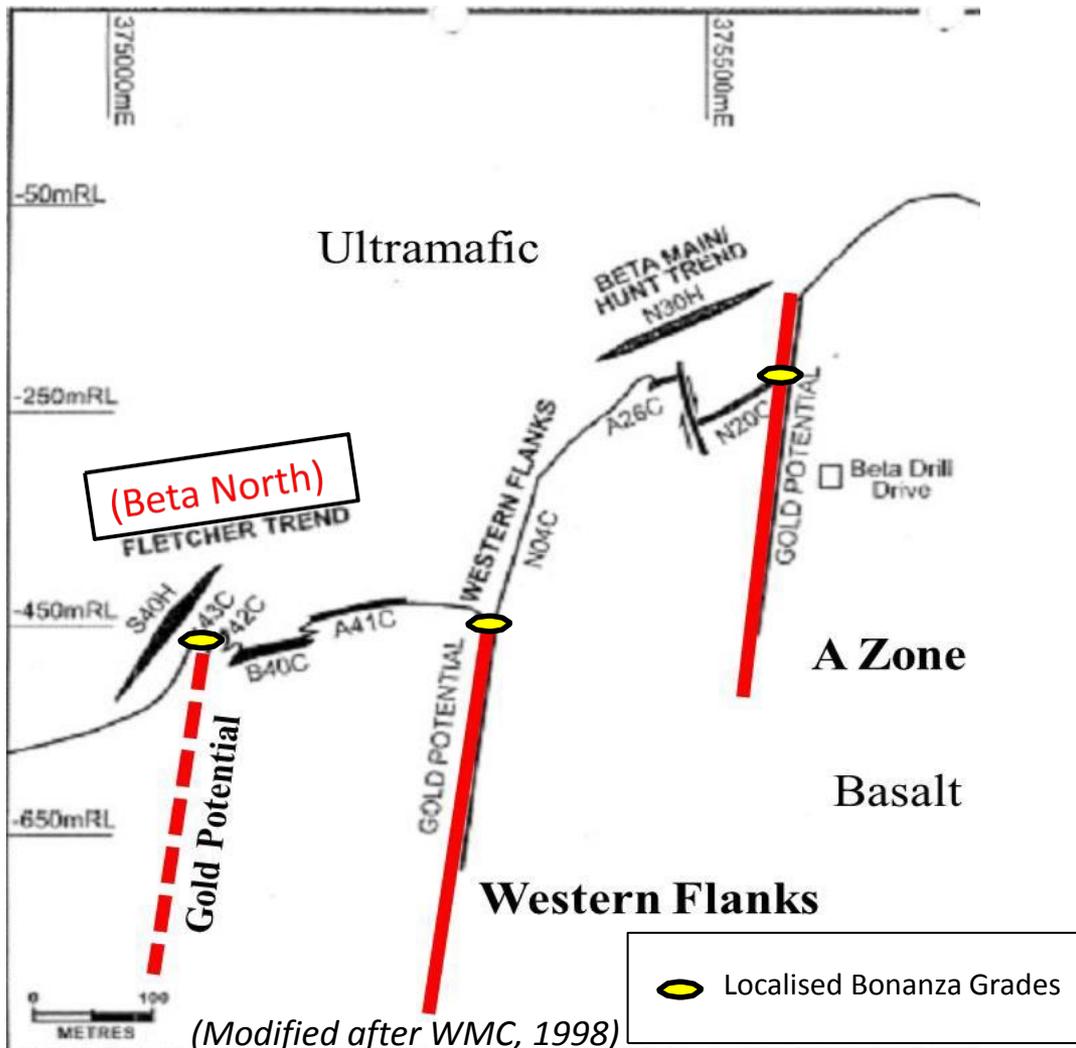
# Beta Hunt: Significant Exploration Potential

## Third Major Gold Zone Discovered - Fletcher Shear Zone



Source: RNC news release dated July 6, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

### Mineralization Controls on Formation



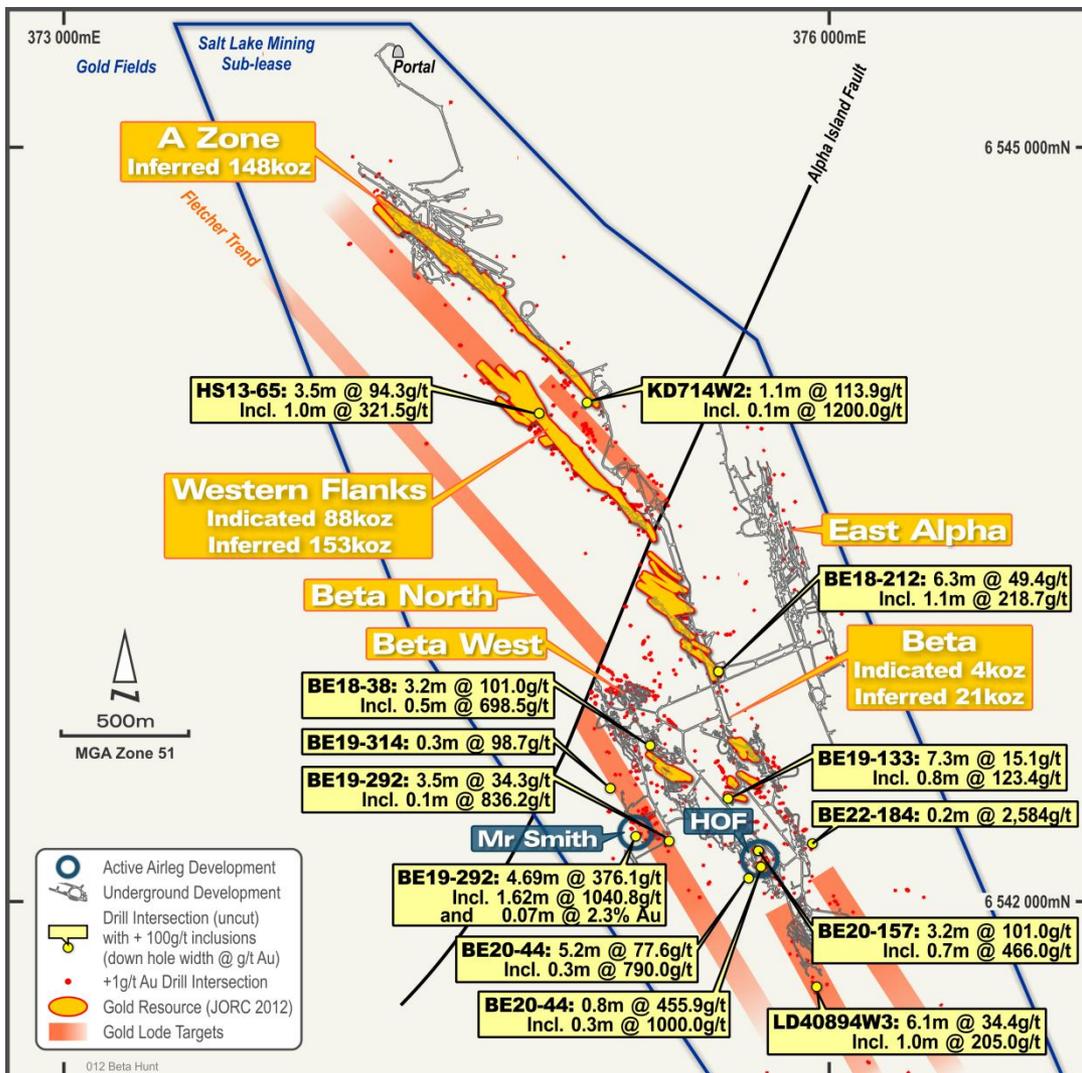
### Visible Gold in Beta Hunt Specimen Samples



- Western Flanks / A Zone lodes controlled by NW trending, east side up faults
- Nickel (trough) mineralization is also remobilized into same late stage structures

# Beta Hunt: Potential For Multiple “Hand of Faith” Zones Across the Mine

## Plan view of gold targets and drill intersections



## Beta Hunt Mine Exploration Potential

- Significant number of high grade gold drill intersections (>100g/t) outside current resources indicate potential for other “Hand of Faith” zones as there has been no prior comprehensive drilling strategy targeting these opportunities

Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Reed Mine – Q2 2016 Highlights

- Excellent quarter at Reed with record production of 3.3 M lbs copper (1.5 kt) and low cash costs (RNC’s 30% share)
- Contribution and bridge loan from Hudbay effectively reduced by \$4.4 million during Q2 and a further \$1.4 million in July to an estimated \$8.6 million (net of receivables)<sup>1</sup>
- Contribution and bridge loan balances (net of related receivables) owed to Hudbay expected to be zero in the third quarter of 2017 (based on current metal prices)

1. The contribution loan balance and bridge loan balances owing to Hudbay as at June 30, 2016 were, respectively, \$13.6 million and \$3.4 million (\$16.3 million and \$3.4 million as at March 31, 2016). Total loan balance as at June 30, 2016 was \$17.0 million (\$19.7 million as at March 31, 2016). Due to the approximate 100 day delay in the finalization of ore concentrate sales, these quarter-end loan balances do not reflect RNC’s share of concentrate sales receivables (made during the quarter). This excess as at June 30, 2016 was \$7.0 million (\$5.3 million as at March 31, 2016). Net of this receivable, the total contribution loan and bridge loan balance as at June 30, 2016 would be \$10.0 million (\$14.4 million as at March 31, 2016). Cash flow generated in July \$1.4M would further reduce the total contribution and bridge loan balance to approximately \$8.6M as of July 31, 2016

## Reed Mine Q2 2016 Operating Review (100% basis)

	Q2 2016	Q1 2016
Ore (tonnes hoisted)	114,452	111,461
Ore (tonnes milled)	111,002	94,997
Copper (%)	4.87	4.38
Zinc (%)	0.45	0.82
Gold (g/t)	0.60	0.54
Silver (g/t)	7.47	7.21
Mine Unit Operating Cost (CDN\$/tonne)	\$44	\$46

## Reed Mine Q2 2016 Operating Review (30% basis)<sup>1,2</sup>

	Q2 2016	Q1 2016
Copper contained in concentrate (kt)	1.5	1.1
Gold contained in concentrate (oz)	402	319
Copper cash cost per lb sold	\$1.21	n/a
Copper all-in sustaining cost per lb sold	\$1.35	n/a

1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Prior period figures are for comparison purposes only

2. Cash cost and all-in sustaining cost per pound sold, net of by-product credits

## Reed Mine 2016 Guidance (30% basis)<sup>1</sup>

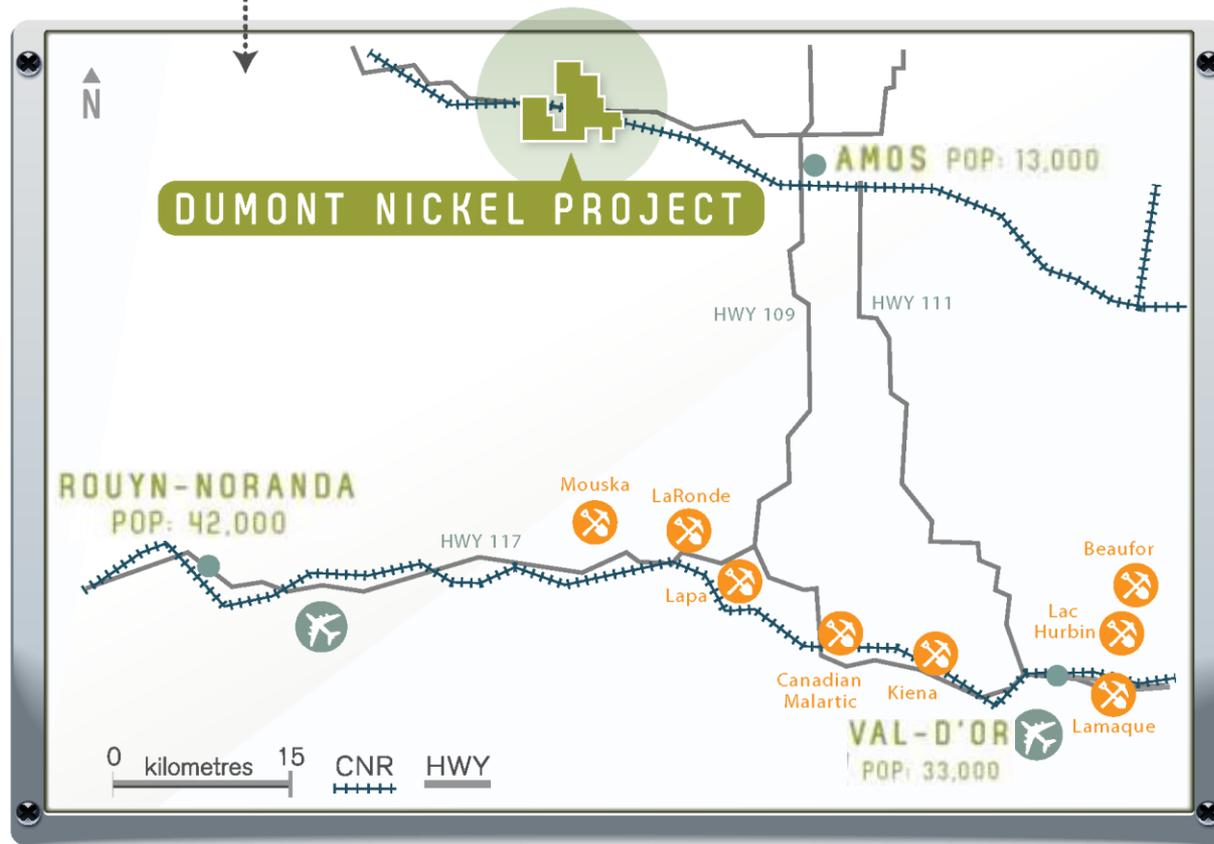
	2016
Copper (kt)	4.0 – 4.5
Gold (koz)	0.50 – 0.75

1. The operator has not provided guidance for the Reed Mine; the above guidance is RNC management’s estimate of expected 30% share of 2016 production.

## Dumont Nickel Project Structurally Low Cost Project in Excellent Jurisdiction



ABITIBI REGION, QUEBEC, CANADA



Major support infrastructure in place (Road, rail, power, water)

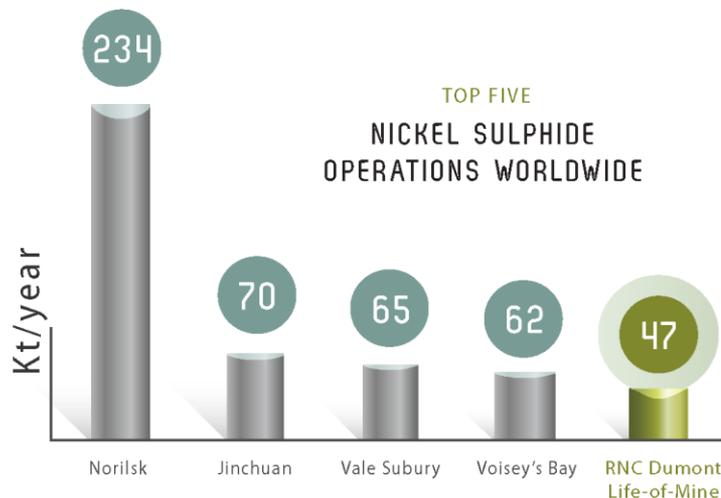
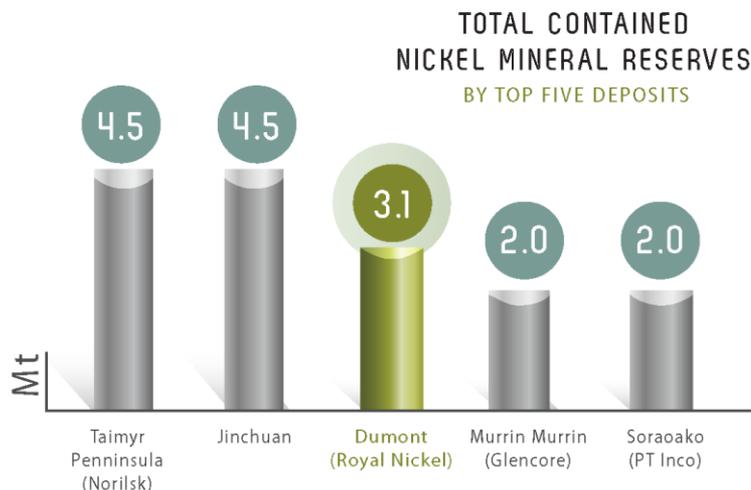
Rich mining history and skilled, local workforce

Long history of resource development (Close proximity to contractors and producing mines)

# RNC's Dumont Nickel Project: A Billion Dollar Opportunity

**THIRD  
LARGEST  
NICKEL  
RESERVE IN  
THE WORLD**

Source: Company reports and Wood Mackenzie Ltd. (December 2011). Dumont proven and probable reserve (June 17, 2013): 1,178,600 kt @ 0.27% nickel.

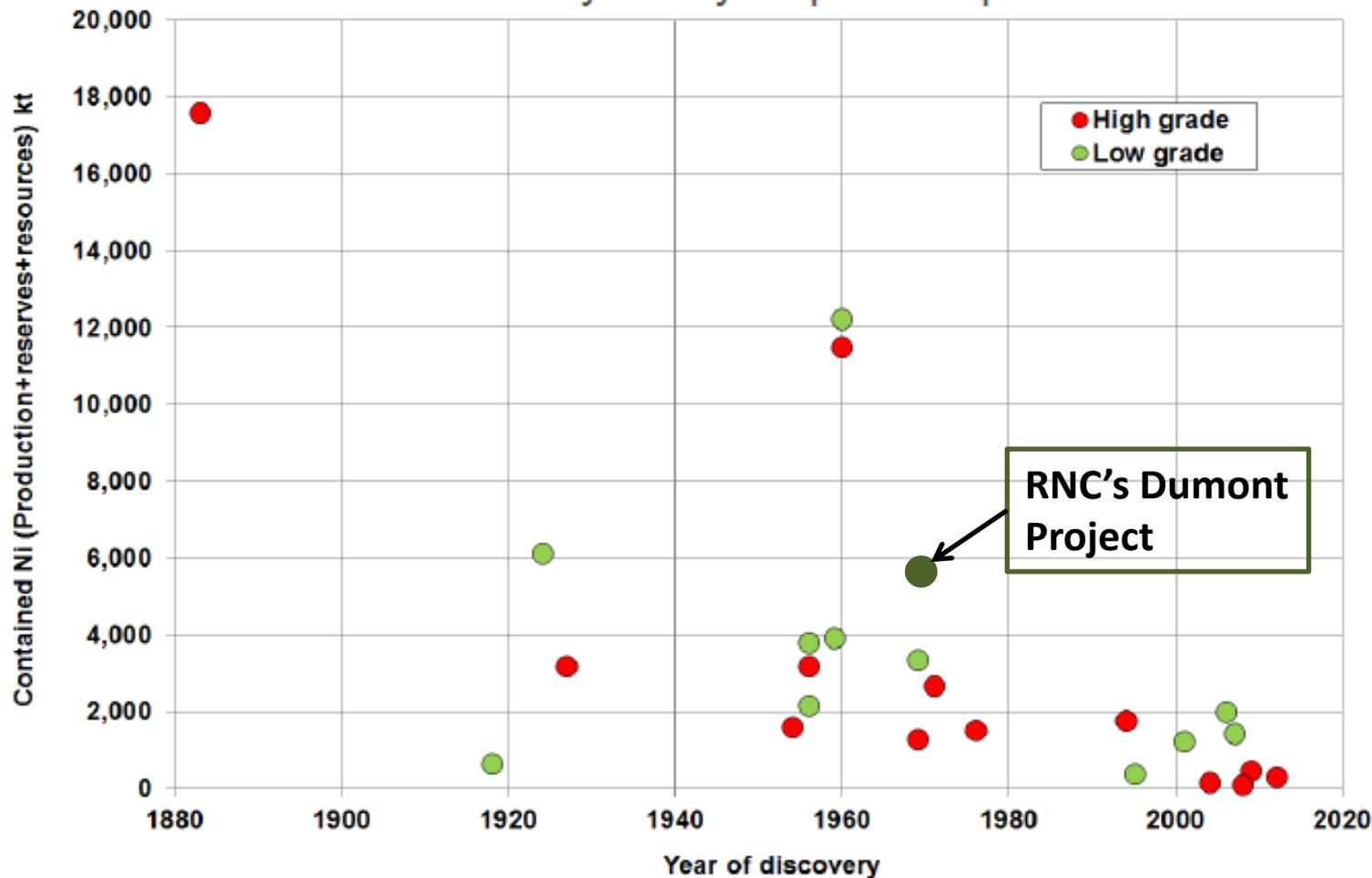


**DUMONT TO BE ONE OF THE LARGEST NICKEL SULPHIDE OPERATIONS**

Source: Company reports and Wood Mackenzie Ltd. (December 2011); RNC 105ktpd (LOM) vs 2012 production for other projects

# Dumont One of Largest Nickel Sulphide Discoveries *Ever* and Largest Since 1960

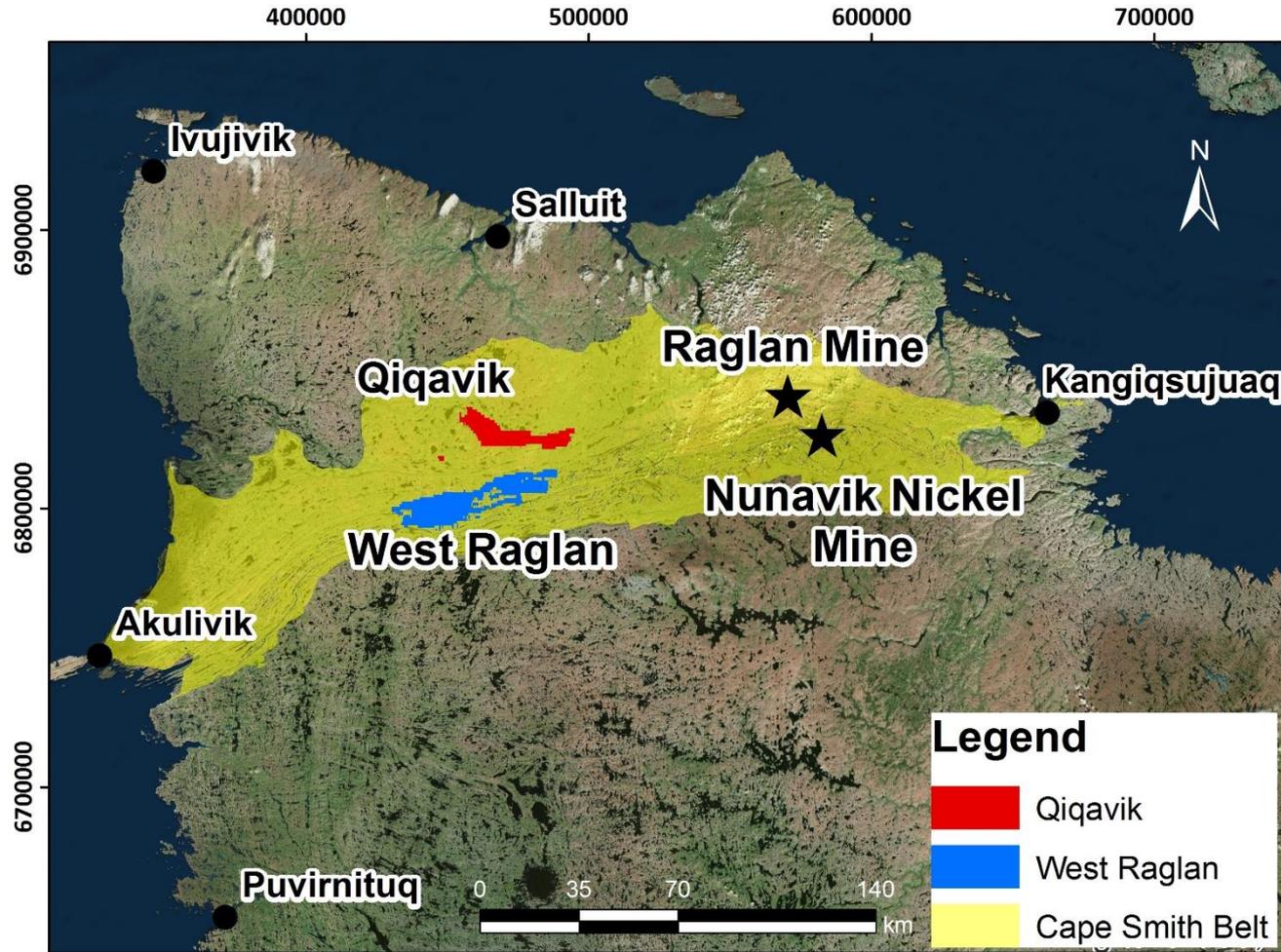
Discovery of Key Sulphide Deposits



Source: Vale presentation at the Metal Bulletin 3<sup>rd</sup> International Nickel Conference , London, April 29, 2015

## RNC recently announced multiple high grade gold and gold-copper discoveries at its Qiqavik project

- Located in a virgin volcano-sedimentary belt within an established mining district
- 70 km from Glencore's Raglan Mine
- Qiqavik Property extends over 40 km from East to West and covers 243 km<sup>2</sup>

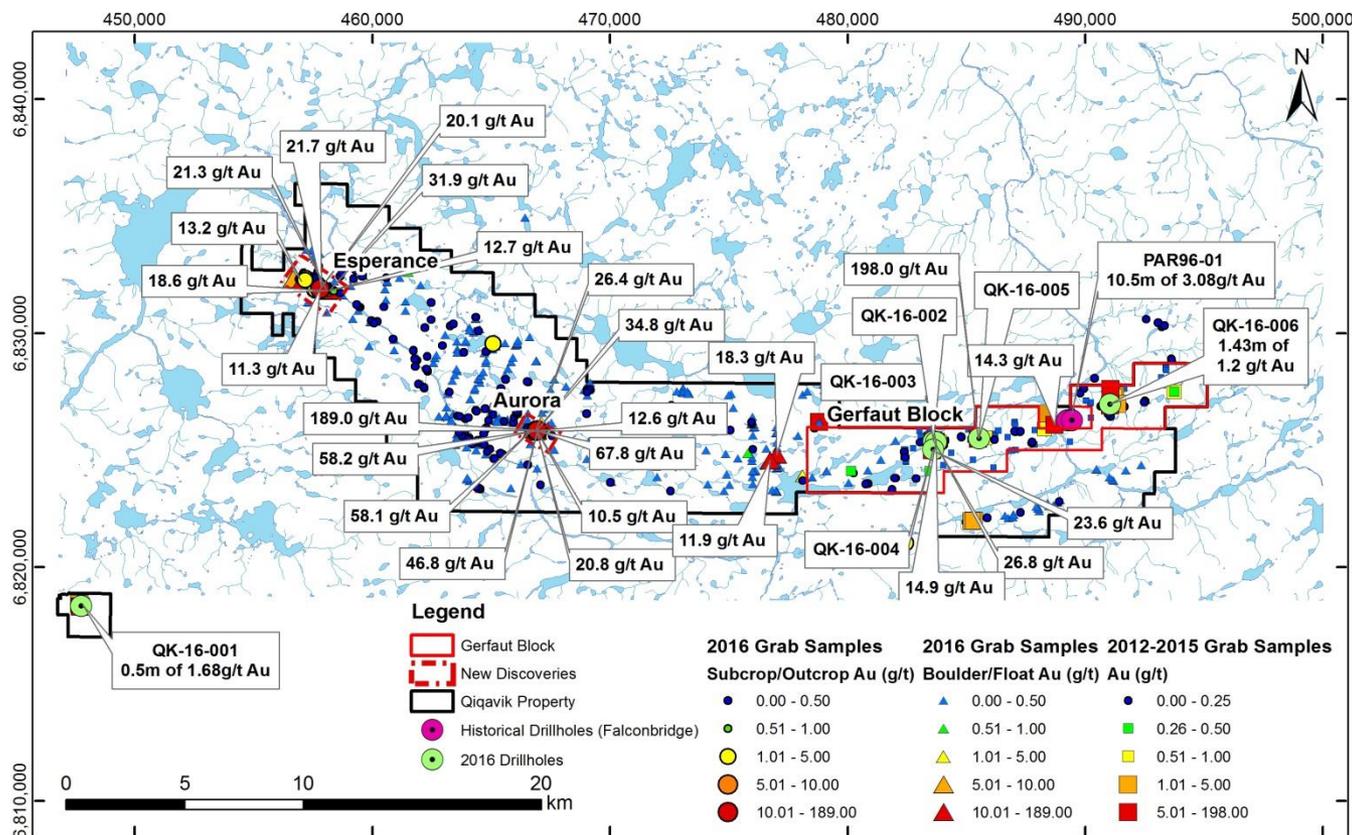


# Qiqavik – Gold Exploration Potential

## Asset to be JV/Spun Out for Future Funding

- 2016 program discovered two new high grade gold mineralization zones, Aurora and Esperance, extending mineralized trend to over 40 km, more than doubling the known extent of the trend
- The prospecting results demonstrate the potential for the Qiqavik project to host important new gold and copper deposits
- RNC to joint venture or spin out this asset to allow funding of future exploration programs with minimal dilution at the RNC level

**Map of Qiqavik Property Showing Significant Gold Exploration Results**



Source: RNC news release dated September 19, 2016 available at [www.rncminerals.com](http://www.rncminerals.com) and [www.sedar.com](http://www.sedar.com)

- **Transition from an explorer and developer to a self-sustaining, cash flow generating multi-asset and multi-metal (gold, nickel, copper) producer is well underway**
- **Eric Sprott has acquired 10% of RNC's outstanding shares through a combination of a Private Placement and secondary market sales (as of September 23, 2016)**
- **Attractive asset base to build on: combination of production assets, a shovel ready, world class nickel development project, and high potential exploration projects**
  - **Beta Hunt – gold, nickel producer – gold production ramping up, substantial gold exploration potential, significant nickel optionality**
  - **Reed Mine – low cost copper producer**
  - **Dumont – shovel ready, world class nickel development project**
  - **Qivavik – high quality gold exploration project**

## Appendix

# Q2 2016 and Recent Highlights

- RNC increased its ownership of the Beta Hunt mine during the quarter to 100% and completed the acquisition of 100% of VMS Ventures (30% interest in the Reed Mine)
- Beta Hunt pre-commercial production for Q2 was 7.6 koz (5.4 koz of gold sold), 35% and 58% increases, respectively, compared to Q1
- Reed Mine had a record quarter; 30% proportionate share of copper and gold production from Reed was 3.3 Mlb (1.5 kt) and 402 ounces, respectively for Q2
- Total bridge and contribution loan balance payable to Hudbay was \$10 million at June 30, 2016, down from \$14.4 million at March 31, 2016 (net of receivables)<sup>1</sup>
- Combined operating income from Beta Hunt and the Reed Mine was \$0.3 million for the quarter
- Advanced discussions to replace the current Lascaux gold and nickel prepay debt facilities by August 31<sup>2</sup>

1. The contribution loan balance and bridge loan balances owing to Hudbay as at June 30, 2016 were, respectively, \$13.6 million and \$3.4 million (\$16.3 million and \$3.4 million as at March 31, 2016). Total loan balance as at June 30, 2016 was \$17.0 million (\$19.7 million as at March 31, 2016). Due to the approximate 100 day delay in the finalization of ore concentrate sales, these quarter-end loan balances do not reflect RNC's share of concentrate sales receivables (made during the quarter). This excess as at June 30, 2016 was \$7.0 million (\$5.3 million as at March 31, 2016). Net of this receivable, the total contribution loan and bridge loan balance as at June 30, 2016 would be \$10.0 million (\$14.4 million as at March 31, 2016).

2. While there can be no assurance the replacement financing will be successful, RNC expects to conclude this process by August 31, 2016.

	Q2 2016	Q1 2016	Change
<b>Production<sup>1,2</sup></b>			
Gold (ounces)	8,001	5,955	+34%
Nickel (kt)	0.4	0.8	-50%
Copper (kt)	1.5	1.1	+35%
<b>Cash cost (units sold)</b>			
Gold (US\$/ounce) <sup>3</sup>	\$826	n/a	-
Nickel (US\$/lb) <sup>3</sup>	\$3.67	\$2.63	+40%
Copper (US\$/lb) <sup>4</sup>	\$1.21	n/a	-
<b>All-in sustaining cash cost (units sold)</b>			
Gold (US\$/ounce) <sup>3</sup>	\$1,269	n/a	-
Nickel (US\$/lb) <sup>3</sup>	\$3.88	\$2.83	+37%
Copper (US\$/lb) <sup>4</sup>	\$1.35	n/a	-
<b>Cash (C\$ millions)</b>	\$9.7	\$7.2	+35%

1. Contained metal in concentrate.

2. Gold production includes RNC's 30% share of Reed production of 402 ounces in Q2 and 319 ounces in Q1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Nickel production is 100% from the Beta Hunt Mine and copper production is RNC's 30% share of Reed production

3. Nickel and gold cash cost and all-in sustaining cost are per unit sold for the Beta Hunt Mine only.

4. Copper cash cost and all-in sustaining cost are for RNC's 30% share of copper production from the Reed Mine only

# Beta Hunt Mine – Q2 Overview

## Gold Ramp-up on Target

- Mine in transition from nickel to gold
- Gold production continued to ramp-up as tonnes mined were up 44% and ounces mined were up 35% in Q2 vs Q1
- Nickel production decline 47% to 0.42 kt as RNC focused on gold production as nickel prices during the first half of 2016 reached a 16 year low
- Pre-commercial gold cash costs were US\$826/oz and all-in sustaining costs were US\$1,269 impacted by lower gold grades, lower nickel production, and higher than anticipated Australian currency
- As gold production ramps up and grades improve, operating costs are expected to decline

### Beta Hunt Q2 Operating Overview

Beta Hunt Gold and Nickel Operation	Q2 2016	Q1 2016
Gold mined (kt)	95.4	66.2
Gold mined grade (%)	2.54	2.41 <sup>1</sup>
Gold milled (kt)	80.4	43.1
Gold mill grade (g/t) <sup>1</sup>	2.23	2.65
Gold mined (ounces) <sup>1,2</sup>	7,599	5,636
Gold sales (ounces)	5,402	3,416
Gold cash operating cost (US\$/oz sold) <sup>3,4</sup>	826	n/a
Gold all-in sustaining cost (US\$/oz sold) <sup>3,4</sup>	1,269	n/a
Nickel mined (kt)	19.1	29.4
Nickel milled (kt)	19.2	29.7
Nickel mill grade (%)	2.34	3.04
Nickel in concentrate (kt)	0.42	0.8
Nickel cash operating cost (US\$ per lb sold) <sup>4</sup>	\$3.67	\$2.63
Nickel cash operating cost (US\$/t sold) <sup>4</sup>	\$8,084	\$5,808
Nickel all-in sustaining cost (US\$/lb sold) <sup>4</sup>	\$3.88	\$2.83
Nickel all-in sustaining cost (US\$/t sold) <sup>4</sup>	\$8,555	\$6,229

1. The March 2016 mineralization mine grade and ounces were finalized with the final results from the Q2 2016 toll, which resulted in lower gold mine grade (2.41) than previously reported (3.10). The June 2016 mineralization mine grade and ounces will be finalized with the final results from the Q3 2016 toll. The Q2 numbers provided above include preliminary estimates of the ROM grade.
2. As of June 30, 2016, 39,000 tonnes of gold mineralization from June 2016 production remained on the ROM pad for tolling in the subsequent quarter, compared to 23,000 tonnes of gold mineralization from March 2016 production as of March 31, 2016.
3. Gold operations in Q1 2016 were at the early stage of the ramp up towards commercial production and operating and sustaining costs per ounce are not comparable to Q2 or to other companies.
4. Cash operating cost, cash operating cost per tonne, and all-in sustaining cost, are not recognized measures under IFRS. Such non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Management uses these measures internally. The use of these measures enables management to better assess performance trends. Management understands that a number of investors, and others who follow RNC's performance, assess performance in this way. Management believes that these measures better reflect RNC's performance and are better indications of its expected performance in future periods. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

# Beta Hunt: Recently Completed PEA Confirms 92 koz of Indicated Resource and 321 koz of Inferred Resource

## Beta Hunt Nickel Mineral Resources as at February 1, 2016<sup>1,2,3,5</sup>

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
	<b>Total</b>	<b>379</b>	<b>4.2</b>	<b>15,840</b>
	Inferred	216	3.4	7,400

## Beta Hunt Gold Mineral Resources as at February 1, 2016<sup>1,2,4,5</sup>

Gold	Classification	Inventory (kt)	Grade (Au g/t)	Contained Metal (Ounces)
>=1.8 g/t Au	Measured	0	0.0	0
	Indicated	815	3.5	92,000
	<b>Total</b>	<b>815</b>	<b>3.5</b>	<b>92,000</b>
	Inferred	2,910	3.4	321,000

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. Gold Mineral Resources are reported using a 1.8 g/t Au cut-off grade.
5. Mineral Resources described here has been prepared by Elizabeth Haren, MAusIMM CPGeo, of Haren Consulting Pty Ltd.

### Cautionary Statement

The decision by SLM to produce at the Beta Hunt mine was not based on a feasibility study of mineral reserves, demonstrating economic and technical viability, and, as a result, there may be an increased uncertainty of achieving any particular level of recovery of minerals or the cost of such recovery, including increased risks associated with developing a commercially mineable deposit. Historically, such projects have a much higher risk of economic and technical failure. There is no guarantee that that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. It is further cautioned that the PEA is preliminary in nature and includes inferred resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. No mining feasibility study has been completed on Beta Hunt. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

Source: Beta Hunt Mine PEA dated March 4, 2016 available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com)

# Reed Mine – Q2 2016 Highlights

- Excellent quarter at Reed with record production of 3.3 M lbs copper (1.5 kt) and low cash costs (RNC’s 30% share)
- Contribution and bridge loan from Hudbay effectively reduced by \$4.4 million during quarter to \$10 million (net of receivables)
- Contribution and bridge loan balances (net of related receivables) owed to Hudbay expected to be zero in the third quarter of 2017 (based on current metal prices)



Reed Mine Operation – Aerial View

## Reed Mine Q2 2016 Operating Review (100% basis)

	Q2 2016	Q1 2016
Ore (tonnes hoisted)	114,452	111,461
Ore (tonnes milled)	111,002	94,997
Copper (%)	4.87	4.38
Zinc (%)	0.45	0.82
Gold (g/t)	0.60	0.54
Silver (g/t)	7.47	7.21
Mine Unit Operating Cost (CDN\$/tonne)	\$44	\$46

## Reed Mine Q2 2016 Operating Review (30% basis)<sup>1,2</sup>

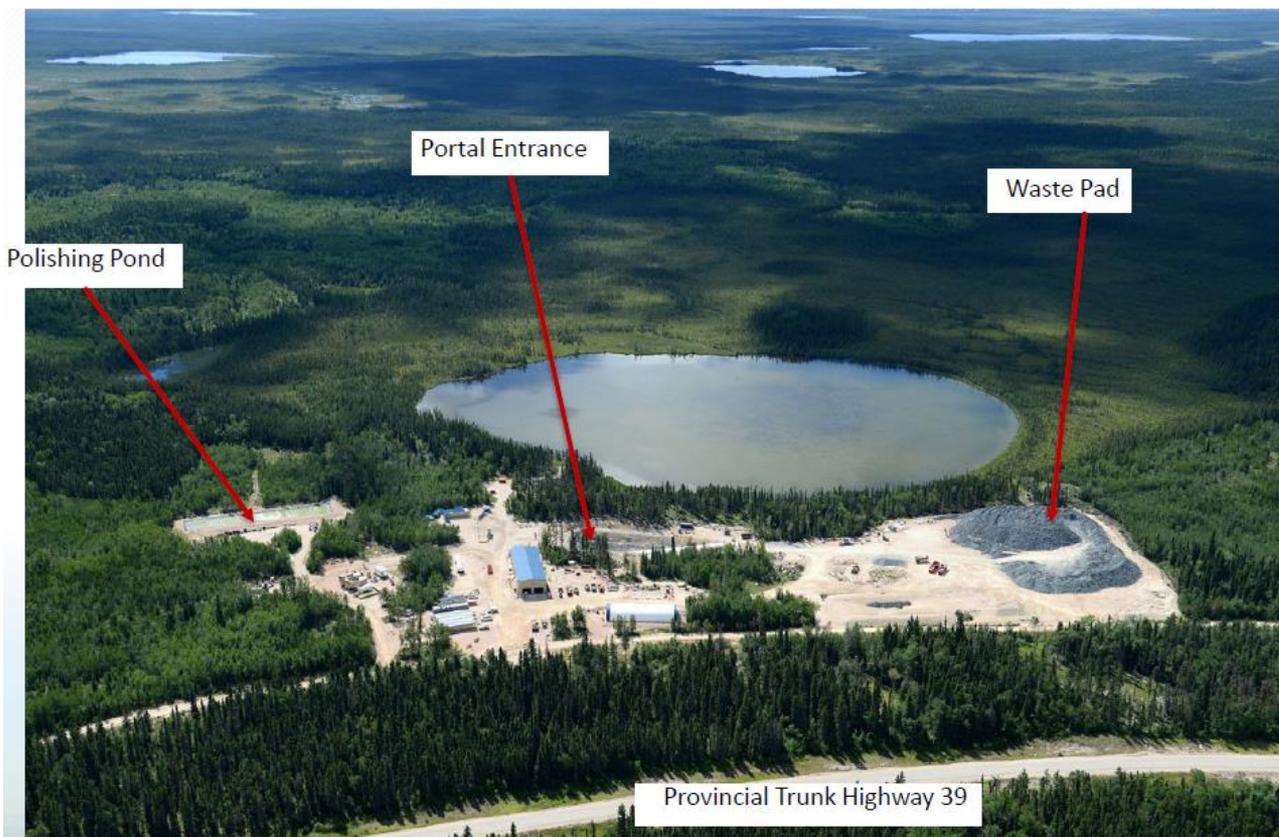
	Q2 2016	Q1 2016
Copper contained in concentrate (kt)	1.5	1.1
Gold contained in concentrate (oz)	402	319
Copper cash cost per lb sold	\$1.21	n/a
Copper all-in sustaining cost per lb sold	\$1.35	n/a

1. RNC closed the acquisition of its interest in Reed on April 27, 2016. Prior period figures are for comparison purposes only

2. Cash cost and all-in sustaining cost per pound sold, net of by-product credits

# Reed Mine Overview

The Reed Mine, operated by Hudbay, commenced commercial production on April 1, 2014



## Reed Mine LOM Operating Overview<sup>1,2,3,4</sup>

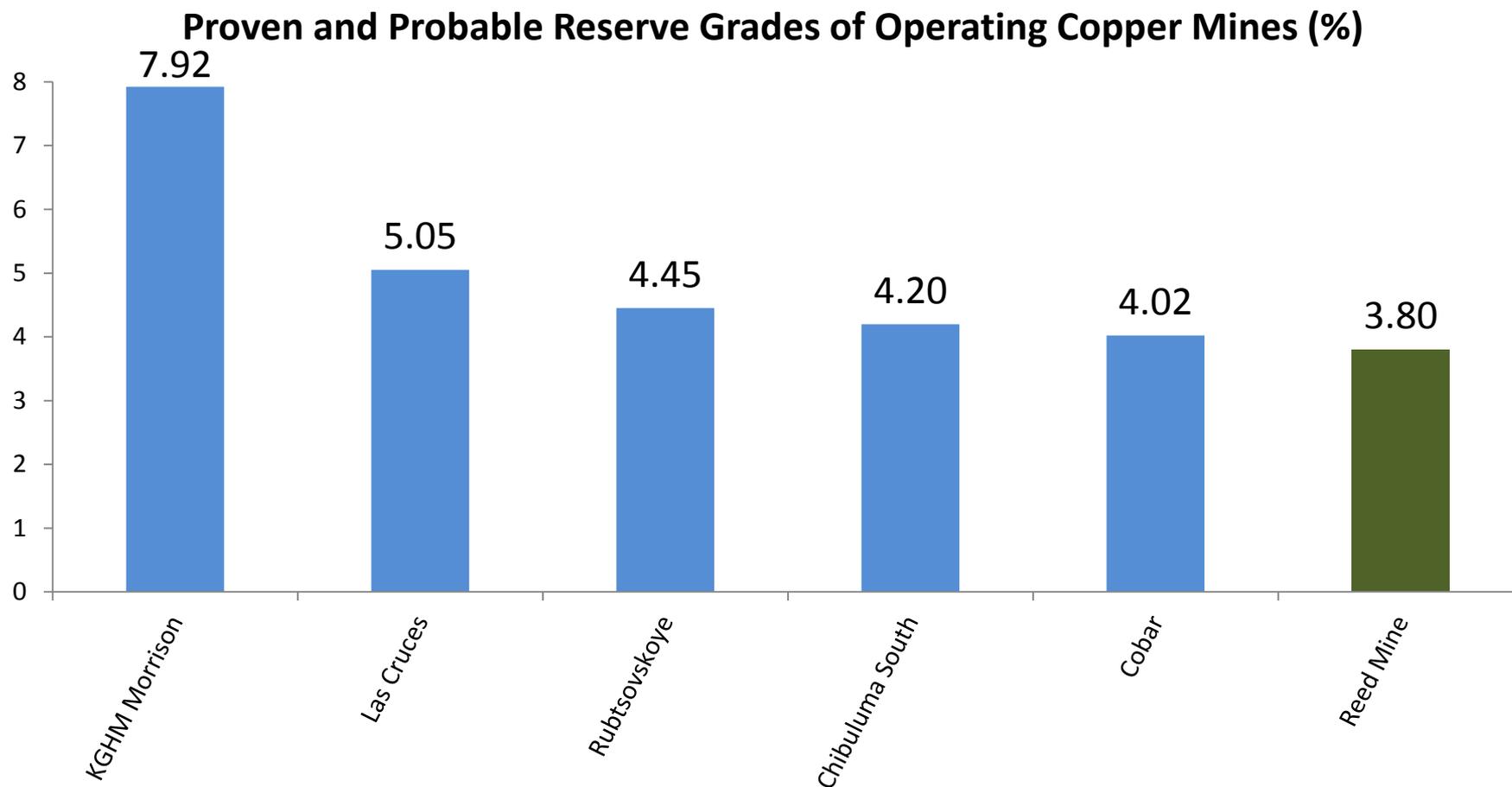
Daily Ore Throughput	1,300 t
Average Annual Copper Production	15,000 t
Cash Cost of Copper Production	US\$1.64 per pound
Combined Mine and Mill Unit Operating Costs	CDN\$90 per tonne
Mine Life	3 years

Source: HudBay Minerals Inc. and VMS Ventures Inc. company disclosure

1. LOM as per NI 43-101 Pre-Feasibility Study Technical Report on the Reed Copper Deposit dated April 2, 2012 as filed on Sedar.com by VMS, shown on 100% basis
2. Average US\$/CDN\$ exchange rate assumption is 0.97
3. Production represents contained metal in concentrate
4. Cash costs per pound calculated using the life of mine model supporting the NI 43-101 report

# Reed: High Grade Copper Mine

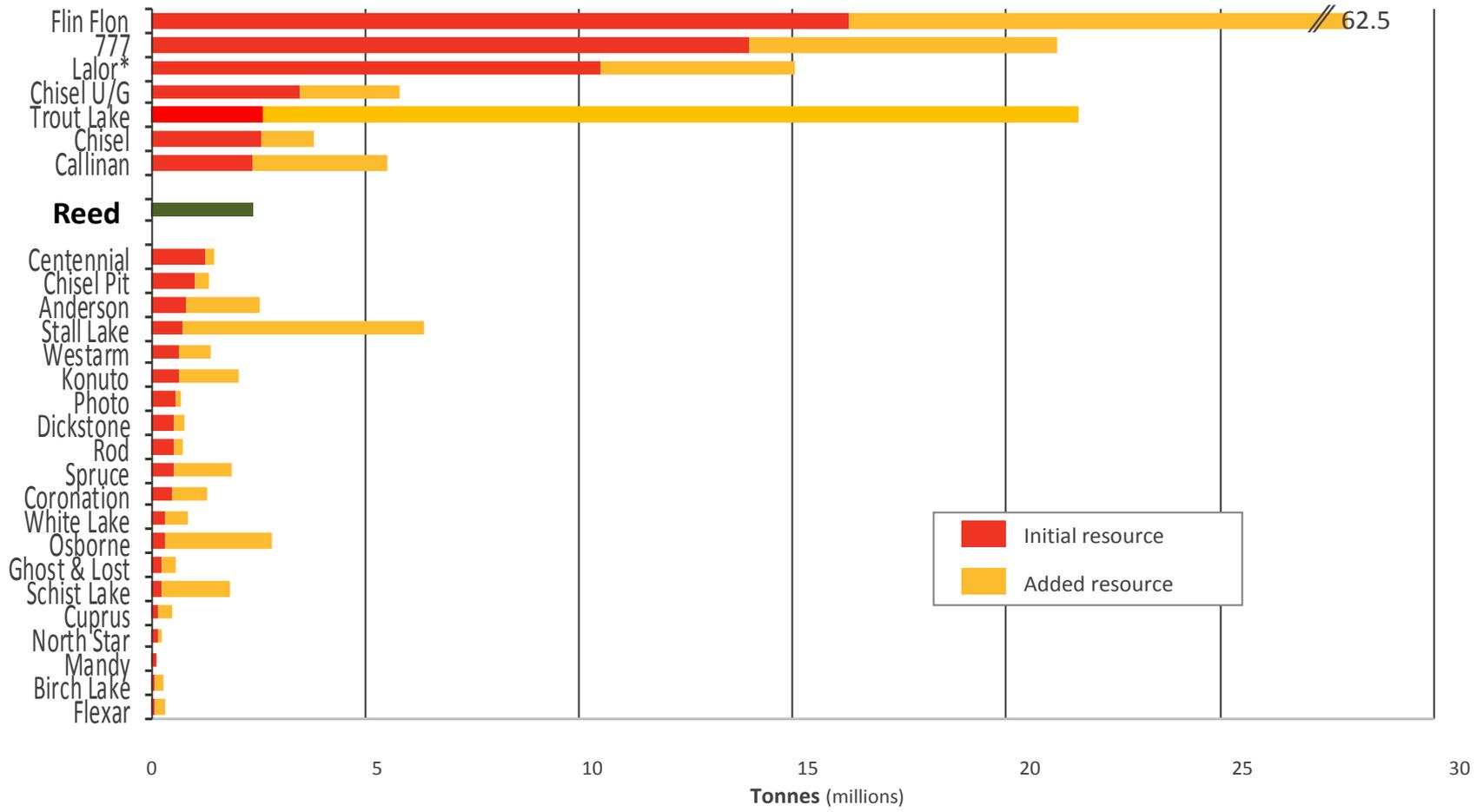
Reed is the 6<sup>th</sup> highest copper reserve grade of any operating copper mine



Source: SNL Metals & Mining

# Reed – Flin Flon / Snow Lake Camp Long History of Resource Additions

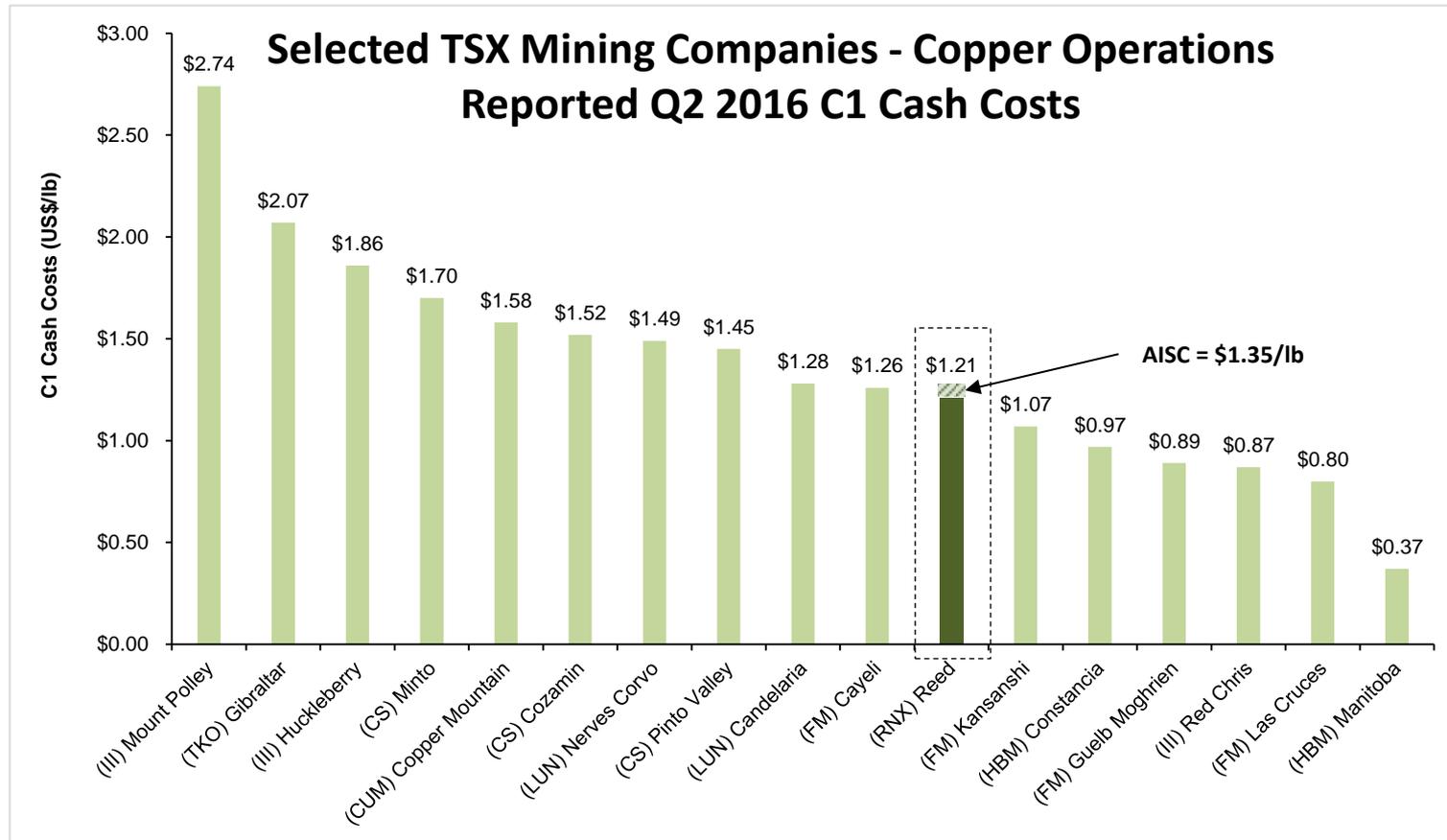
## Discoveries in the Greenstone Belt (Flin Flon/Snow Lake)



Source: Hudbay Minerals Inc., company reports

\* Lalor reported as initial reserve and added reserve

# Reed Mine: An Underappreciated Asset A Low Cost Producer in its Peer Group



Source: Company Filings

# Dumont – Continuing to Advance One of the Few “Shovel Ready” Large Scale Base Metal Projects

## Dumont Project Update

- **Concentrate Roasting:**
  - Low sulphur nickel calcine (<0.2%) produced from Dumont concentrate was successfully completed on larger scale facilities for shipment to potential customers in Europe and Asia for testing
- **EPC Proposal:**
  - MOU signed in August 2015 with Ausenco/DF to prepare a lump sum turnkey (EPC) proposal
  - Work on the proposal is largely complete with only the final legal drafting of typical performance guarantees and general terms and conditions remaining
- **Dumont Project Engineering:**
  - RNC has begun preliminary trade-off studies in anticipation of completing an updated feasibility study for the project when market conditions are appropriate

*Ferro-nickel puck produced from Dumont concentrate*



# Royal Nickel vs. Global Junior Gold Producers

Currently trading at a significant discount to its peers



Company Name	Market Statistics				Operating Statistics				Financial Metrics		NAV
	Price	% of 52 Week High	Market Cap	EV	2016E Prod.	2017E Prod.	2016E AISC	2017E AISC	EV/EBITDA 2016E	EV/EBITDA 2017E	P/NAV
	US\$/Sh	(%)	US\$m	US\$m	AuEq koz	AuEq koz	US\$/oz	US\$/oz	(x)	(x)	(x)
Metals X	\$1.33	90.2%	\$786	\$761	407	549	\$1,192	\$918	11.64x	2.43x	0.69x
Klondex Mines	\$5.42	101.6%	\$785	\$781	146	185	\$935	\$873	7.40x	4.12x	1.68x
Alacer Gold	\$2.49	88.7%	\$728	\$417	126	118	\$765	\$1,072	5.85x	6.08x	0.75x
Premier Gold	\$3.61	92.5%	\$661	\$636	84	138	\$523	\$640	11.36x	5.18x	0.97x
Richmont Mines	\$9.37	81.0%	\$588	\$523	98	94	\$1,053	\$855	9.08x	6.32x	1.22x
Roxgold	\$1.24	90.9%	\$455	\$493	57	116	\$795	\$709	16.26x	5.01x	0.92x
Argonaut Gold	\$2.80	81.6%	\$444	\$392	126	137	\$901	\$853	6.84x	5.70x	1.01x
Teranga Gold	\$0.99	92.1%	\$387	\$343	215	227	\$985	\$1,010	3.71x	2.66x	0.97x
Primero Mining	\$1.68	51.1%	\$316	\$378	215	248	\$1,085	\$830	5.03x	2.46x	0.61x
Silver Lake Resources	\$0.45	82.6%	\$229	\$217	130	140	\$985	\$1,043	4.28x	2.23x	1.07x
Ramelius Resources	\$0.41	83.7%	\$216	\$183	110	132	\$890	\$808	3.12x	1.27x	0.74x
Doray Minerals	\$0.66	69.1%	\$204	\$194	84	67	\$945	\$797	3.07x	1.58x	0.68x
Wesdome	\$1.24	73.2%	\$161	\$147	67	81	\$986	\$823	8.80x	4.17x	0.68x
Timmins Gold	\$0.49	78.8%	\$155	\$146	96	8	\$694	\$1,343	3.02x	3.04x	0.66x
Jaguar Mining	\$0.56	85.9%	\$63	\$131	90	90	\$900	\$900	3.29x	2.23x	0.82x
<b>Average</b>		<b>82.9%</b>	<b>\$412</b>	<b>\$383</b>	<b>137</b>	<b>155</b>	<b>\$909</b>	<b>\$898</b>	<b>6.85x</b>	<b>3.63x</b>	<b>0.90x</b>
<b>Average (&lt;100koz/yr AuEq 2016E)</b>		<b>81.6%</b>	<b>\$327</b>	<b>\$324</b>	<b>82</b>	<b>85</b>	<b>\$842</b>	<b>\$867</b>	<b>7.84x</b>	<b>3.93x</b>	<b>0.85x</b>
<b>Royal Nickel</b>	<b>\$0.31</b>	<b>62.7%</b>	<b>\$76</b>	<b>\$100</b>	<b>70</b>	<b>92</b>	<b>\$916</b>	<b>\$966</b>	<b>3.05x</b>	<b>1.47x</b>	<b>0.54x</b>

↓  
Undervalued on relevant economic metrics

Information as at August 21, 2016  
Source: S&P Capital IQ, Company Filings

## **Compliance Statement (JORC 2012 and NI 43-101)**

### **Qualified Person**

The technical information in this presentation relating to historic exploration results at the Beta Hunt Mine is based on information compiled by Steve Devlin, who is a member of the Australian Institute of Mining and Metallurgy. Mr. Devlin is a full time employee of Salt Lake Mining Pty Ltd and has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results.

Face sampling in the HOF drive was conducted by SLM personnel. Samples are shipped to ALS Minerals Geochemistry of Kalgoorlie for preparation and assaying by 25 gram fire assay analytical method. First sample of each sample submission incorporates a barren rock sample as a flush to clean the lab crusher and pulveriser and as a check for contamination. Analytical accuracy and precision are monitored by the analysis of insertion of blank material and a certified standard.

The disclosure of scientific and technical information contained in this presentation has also been approved by Alger St-Jean, Vice President Exploration of RNC, who is a "Qualified Person" under National Instrument 43-101.

### **Quality Assurance - Quality Control ("QA/QC") at Beta Hunt**

The majority of the Nickel Mineral Resources reported has been defined by drillholes completed in 2008 and 2014 while the gold Mineral Resources have been generated from drillholes completed over the life of the Beta Hunt mine. Sampling and assaying methodologies have been tailored to either nickel or gold depending on the drill target.

All diamond core samples have been analyzed by external laboratories with various levels of company based and laboratory internal QA/QC programs implemented. Some quality issues have been identified over time however the Qualified Person does not consider the overall effect of minor errors to be material to the reported Mineral Resources. This is supported in the case of the nickel estimates by reconciliation of nickel production by SLM during 2014.

Drillhole programs completed by SLM follow industry standard procedures for drilling, collection of samples and submission to external laboratories. Where specific gravity data is absent, regression curves have been used to populate the database. Data collection, retention and backup by SLM follow industry standards. No independent verification of significant intersections has been performed. Overall thorough QA/QC protocols are followed at Beta Hunt and the Qualified Person is satisfied that the data is reliable.

The Mineral Resource estimates set out in this presentation have been prepared using accepted industry practice and classified in accordance with the JORC Code, 2012 Edition. Elizabeth Haren, MAusIMM CPGeo, of Haren Consulting Pty Ltd accepts responsibility as Qualified Person for the Mineral Resource estimates. 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 (the "CIM Definition Standards") and the corresponding equivalent definitions in the JORC Code for Mineral Resources.

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

Based on the resource estimate, a standard methodology for stope design, mining sequence and cut-off grade optimization, including application of mining dilution, process recovery, economic criteria and physical mine and plant operating constraints has been followed to design the mine and to complete a Preliminary Economic Assessment ("PEA") report for the Beta-Hunt Mine by David Penswick, P.Eng.

The full Beta Hunt Mine PEA dated March 4, 2016 is available at [www.royalnickel.com](http://www.royalnickel.com) and [www.sedar.com](http://www.sedar.com).

## Share Structure<sup>1</sup>:

▪ <b>Basic Shares Outstanding:</b>	<b>274.7 million</b>
▪ Options ( <i>average exercise price: C\$0.51</i> )	16.2 million
▪ Deferred/Restricted Share Units	3.6 million
▪ Warrants ( <i>exercise price: C\$0.375; exp Jun 2017</i> )	0.7 million
▪ Warrants ( <i>exercise price: C\$0.50; exp Sep 2018</i> )	13.5 million
▪ Compensation Warrants	1.5 million
▪ Contingent Shares	7.0 million
<hr/>	
▪ <b>Fully Diluted Shares Outstanding:</b>	<b>317.2 million</b>
<hr/> <hr/>	
▪ <b>Directors and Officers Share Ownership:</b>	<b>~8%</b>
▪ <b>Large Shareholders:</b>	
Eric Sprott	<b>~10%</b>
Oppenheimer Funds, Inc.	<b>~4%</b>
<b>Balance Sheet Highlights:</b>	
▪ <b>Cash and Cash Equivalents<sup>2</sup>:</b>	<b>C\$9.7 million</b>
▪ <b>Market Capitalization<sup>1</sup>:</b>	<b>C\$112 million</b>

1. Shares outstanding, fully diluted shares outstanding, shareholdings and market capitalization as at September 26, 2016

2. Cash and cash equivalents as at June 30, 2016