

ROYAL NICKEL CORPORATION

**Developing the Next Great Canadian Base Metal Mine**

March 31, 2014



TSX: RNX

## Cautionary Statements Concerning Forward-Looking Statements

This presentation contains "forward-looking information" including without limitation statements relating to mineral reserve estimates, mineral resource estimates, realization of mineral reserve and resource estimates, capital and operating cost estimates, project and life of mine estimates, construction of the mine and related infrastructure, the timing and amount of future production, costs of production, success of mining operations, ability to obtain permitting by the time targeted, size and ranking of project upon achieving production, economic return estimates and potential upside and alternatives. Readers should not place undue reliance on forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of RNC to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The feasibility study results are estimates only and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Even with the completion of the feasibility study, there are no assurances that Dumont will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities. The MOU with Tsingshan is non-binding and there is therefore no assurance that the strategic alliance with Tsingshan will result in any transaction or venture with Tsingshan. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at [www.sedar.com](http://www.sedar.com).

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this presentation and RNC disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws

## NI 43-101 Compliance

The technical information pertaining to the Dumont project feasibility study in this presentation is based on RNC's technical report dated July 25, 2013 that describes the results of the Dumont project feasibility study and was prepared in accordance with Canadian regulatory requirements by, or under the supervision of, Paul Staples, P. Eng. of Ausenco Limited, Sébastien Bernier, P. Geo. of SRK Consulting (Canada) Inc. and David A. Warren, Eng. of Snowden Mining Industry Consultants, all of whom are independent Qualified Persons as set out in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

The Mineral Resource estimate set out in this presentation was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by Sébastien Bernier, P. Geo (OGQ#1034, APGO#1847), Principal Consultant – Resource Geology at SRK.

The Mineral Reserve estimate set out in this presentation was classified according to the CIM Definition Standards for Mineral Resources and Mineral Reserves (November 2010) by David A. Warren (OIQ 121481), Principal Consultant – Mining at Snowden.

All other technical information in this presentation has been prepared by or under the supervision of Alger St-Jean, P. Geo., Vice President, Exploration of RNC and Johnna Muinonen P. Eng., Vice President, Operations of RNC, each a Qualified Person as defined in NI 43-101. The full Dumont feasibility study, prepared as an NI 43-101 compliant technical report, is available under RNC's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

*All currency references in U.S. dollars, unless otherwise stated.*

# THE DUMONT PROJECT

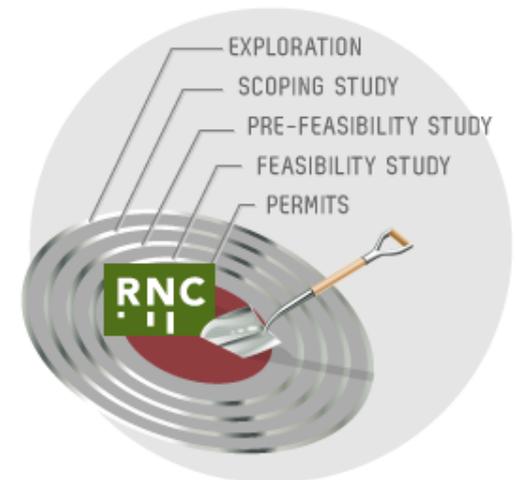
ABITIBI REGION, QUEBEC, CANADA



**NICKEL  
SHORTAGES  
COMING?**



**GREAT  
PROJECT**



**SHOVEL  
READY  
(2014)**



# NICKEL SHORTAGES COMING?

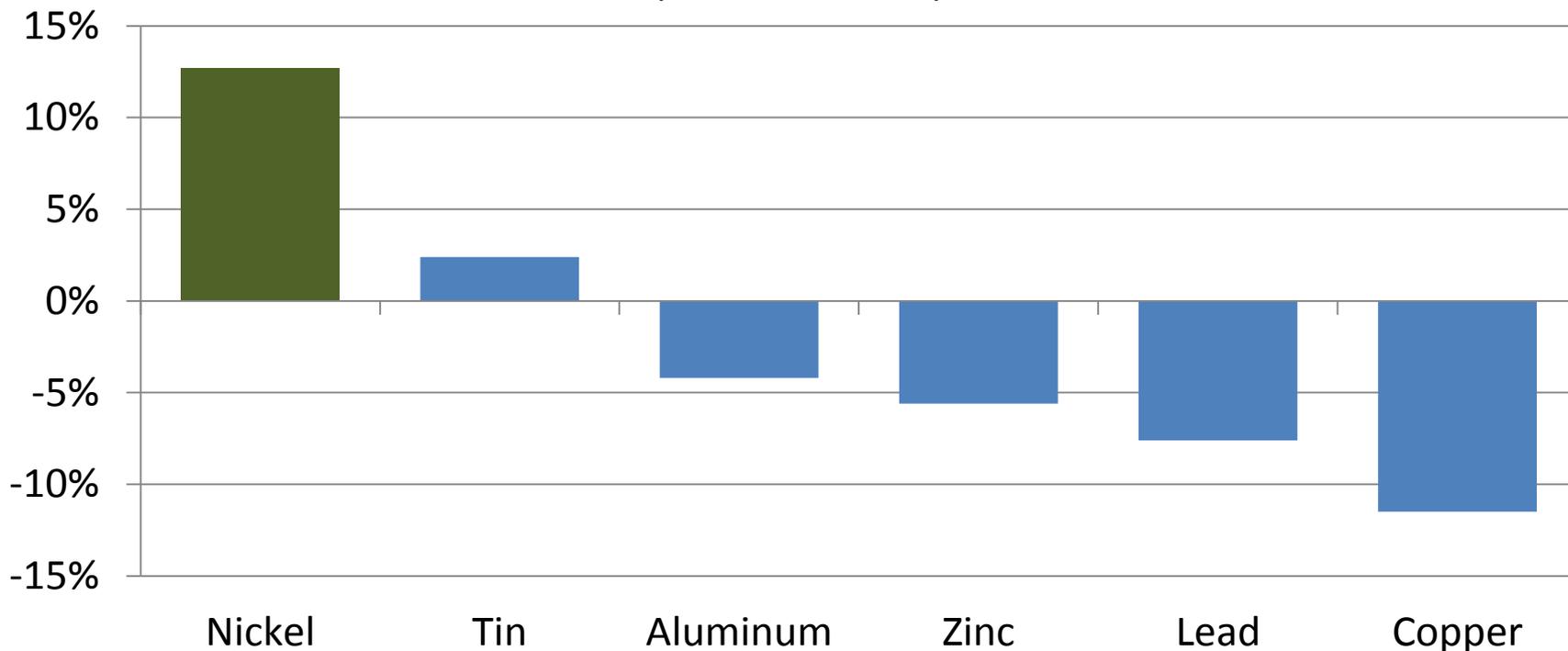
# Nickel Stocks Could Run Out as Early as Mid-2015

- **The Indonesia ban removes 25-30% of global nickel supply - *equivalent to ALL OF THE OPEC GULF STATES CEASING OIL PRODUCTION (29% of supply)*. RNC believes the ban unlikely to be overturned.**
  - Approximately 3/4 of Chinese NPI production was sourced from Indonesian ore and the export ban will also severely impact nickel producers in Ukraine, Australia, and Japan
  - China has a limited ability to replace Indonesian ore and there is no certainty that significant NPI/FeNi capacity will be built in Indonesia in the near future
    - RNC believes that the Philippines could only supply 5-10 Mt of high grade ore (only 10-20% of Indonesian current exports). Please note that the Philippines has also considered export restrictions as well.
- **The nickel “project cupboard” was “emptied” during prior peak and few new projects have been developed to replace them resulting in long-term structural supply shortfall**
  - 2013 marked a milestone as the last of the “tidal wave” of new projects launched in peak in prior nickel cycle began commissioning. A number of these projects continue to struggle
- ***Nickel prices could return to 2006-2007 ranges of \$30-50,000+ per tonne as prices will once again have to rise to force demand in line with available supply***
  - The combination of the Indonesia ban and structural supply shortfall will lead to multi-year nickel shortages *as early as mid-2015* despite record LME inventories of 290kt and ore stockpiles in China.
  - Demand will need to *shrink by 8% by 2016 and cannot exceed 2% annual growth by 2020* in an optimistic supply scenario and most likely no more than 1% growth in a more conservative scenario

# Nickel – “From Worst to First”

**Nickel has been the best performing base metal in 2014**

**LME Base Metals Prices  
2014 YTD Change  
(as of March 27)**



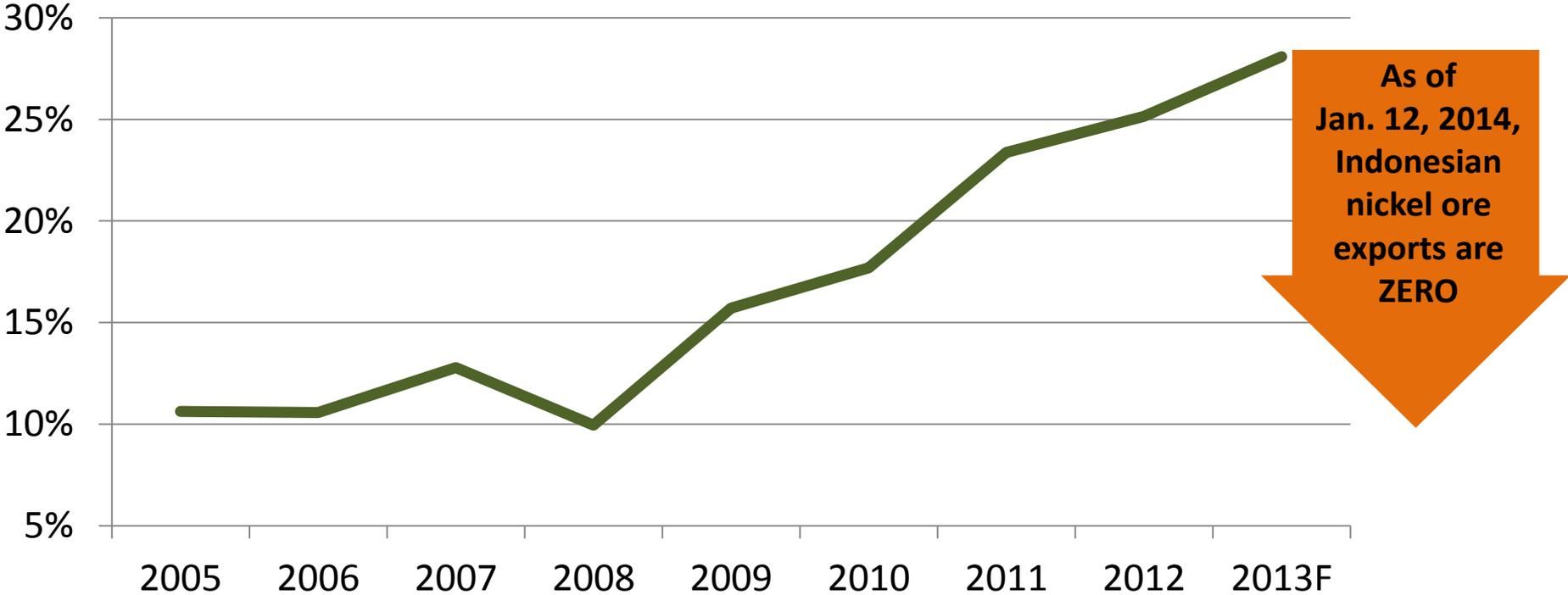
Source: Metalprices.com



# Indonesia Has Filled Supply Gap Globally by Allowing Export of High-Grade Ore

In just 5 years, Indonesia’s share of global nickel supply has nearly tripled with most of the increase shipped as unprocessed ore to China – Indonesia now equivalent to “2 Saudi Arabias”

**Indonesian Mine Supply as a % of Global Nickel Supply**



Source: Wood Mackenzie Ltd.



# Indonesia Ore Export Ban Likely to Stay Strictly Enforced

**Many commentators cite upcoming elections, various economic, and other issues which will cause Indonesia to water down the ban – none of which hold up well under closer observation**

- Political?
  - When the Indonesian parliamentary committee (Commission Seven) responsible for the law was presented with potential exemptions for companies building smelters, all nine factions in the committee voted UNANIMOUSLY against any exemptions
  - Based on RNC research to date, there appears to be little political support from ANY party for exemptions
- Economic?
  - The central government derives little direct economic benefit from the \$1-1.5 billion of annual nickel ore exports particularly compared to the billions of dollars of potential investment which would be required to transform even a fraction of the ore exports into finished product
  - The central government owns 51% of PT Antam, the 2<sup>nd</sup> largest nickel producer in Indonesia, which would directly benefit from higher nickel prices
- Strategic?
  - Any changes to the export ban will reduce the incentive for investment and undercut the rationale for the ban in the first place

# Significant Barriers To Building NPI/FeNi Production in Indonesia

**Some commentators are also suggesting that substantial capacity could be added quickly in Indonesia. There are a number of key challenges that they may be failing to fully take into account.**

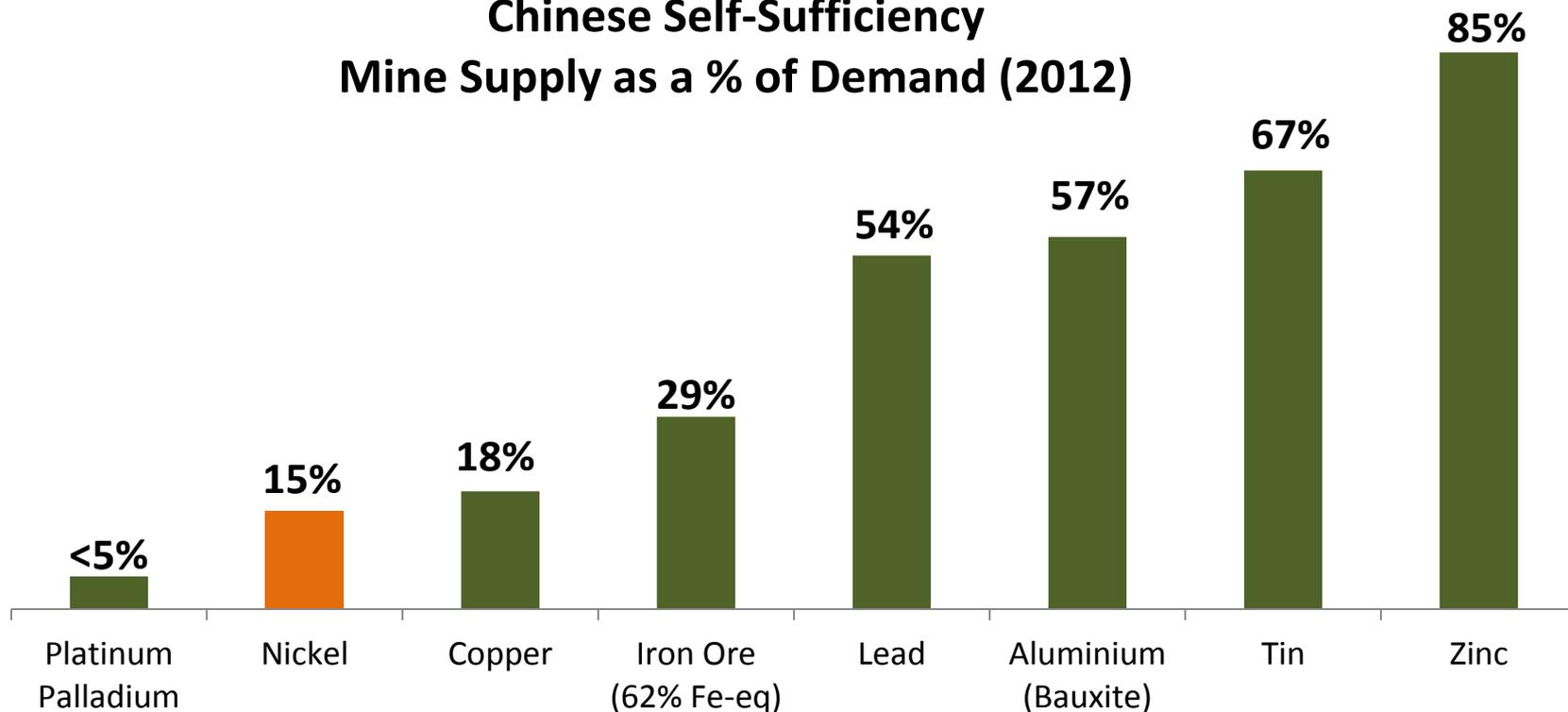
- The nickel ore is located in areas with virtually no infrastructure, few people, and none of the power required to produce NPI/FeNi
  - Unlike NPI plants in China, projects will have to incorporate the construction of a power plant and all of the related support infrastructure. PT Antam – the state nickel producer has a project with an estimated capital cost of \$1.6 billion for 40ktpa of nickel output
- \$1+ billion investments will be challenging given Indonesia's investment climate (Indonesia ranks 114<sup>th</sup> on Transparency International Corruption Perceptions Index between Egypt and Albania) and proposed regulations which would limit foreign ownership to 49%
- Operating costs could be lower than Chinese NPI production due to reduced ore and coal shipping costs which can be potentially more than offset by differences in labour costs and productivity and the need to source many inputs from outside
- Chinese companies have a very mixed track record when investing and building mining projects outside China

# China & Indonesia – An Important relationship

## China *NOT* Self-Sufficient in Nickel

China to struggle to replace Indonesian ore as nickel is one of the metals in which China is *least self-sufficient*

**Chinese Self-Sufficiency  
Mine Supply as a % of Demand (2012)**

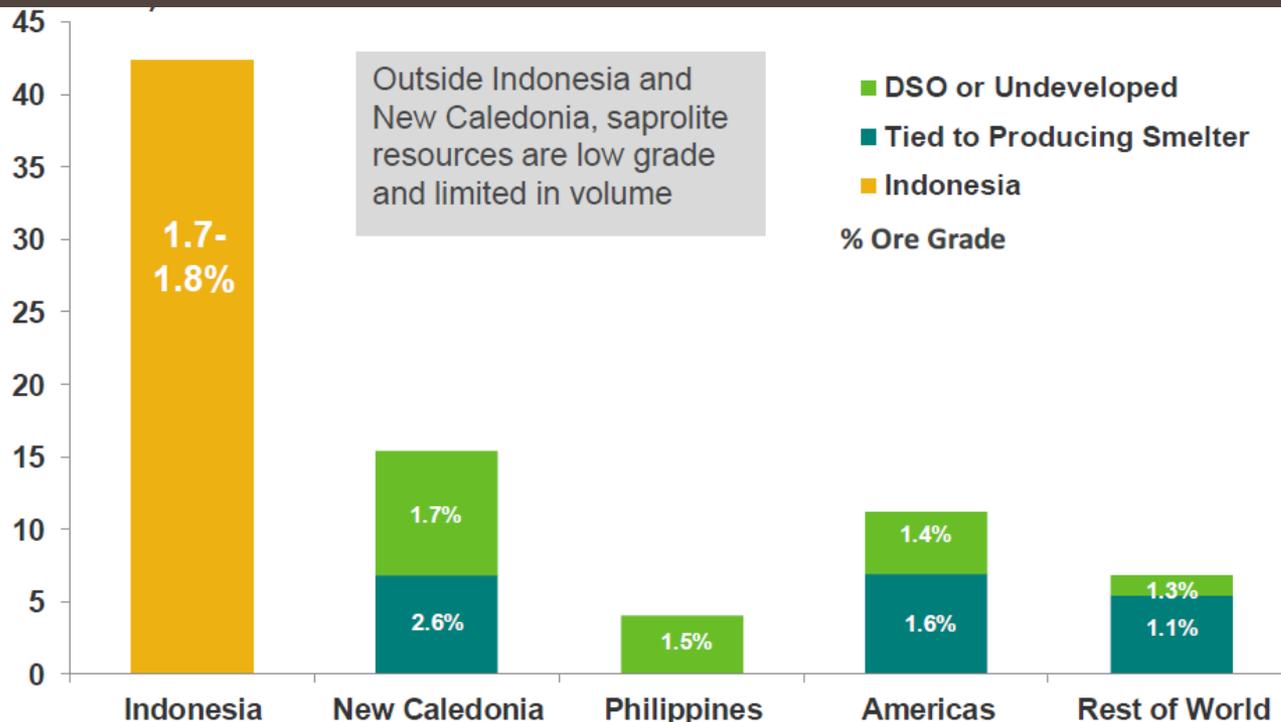


Source: USGS, Wood Mackenzie Ltd., Macquarie Research, RNC Analysis

# Few Alternatives for High Grade Laterite Ore Outside Indonesia

There are few alternatives for high grade laterite ore outside Indonesia. RNC estimates that the Philippines could supply a maximum of 5-10 Mt of high grade ore (10-20% of current Indonesian exports) and New Caledonia only exports ore to partners in Japan and Korea.

## World Saprolite Resources (Mt Ni contained)



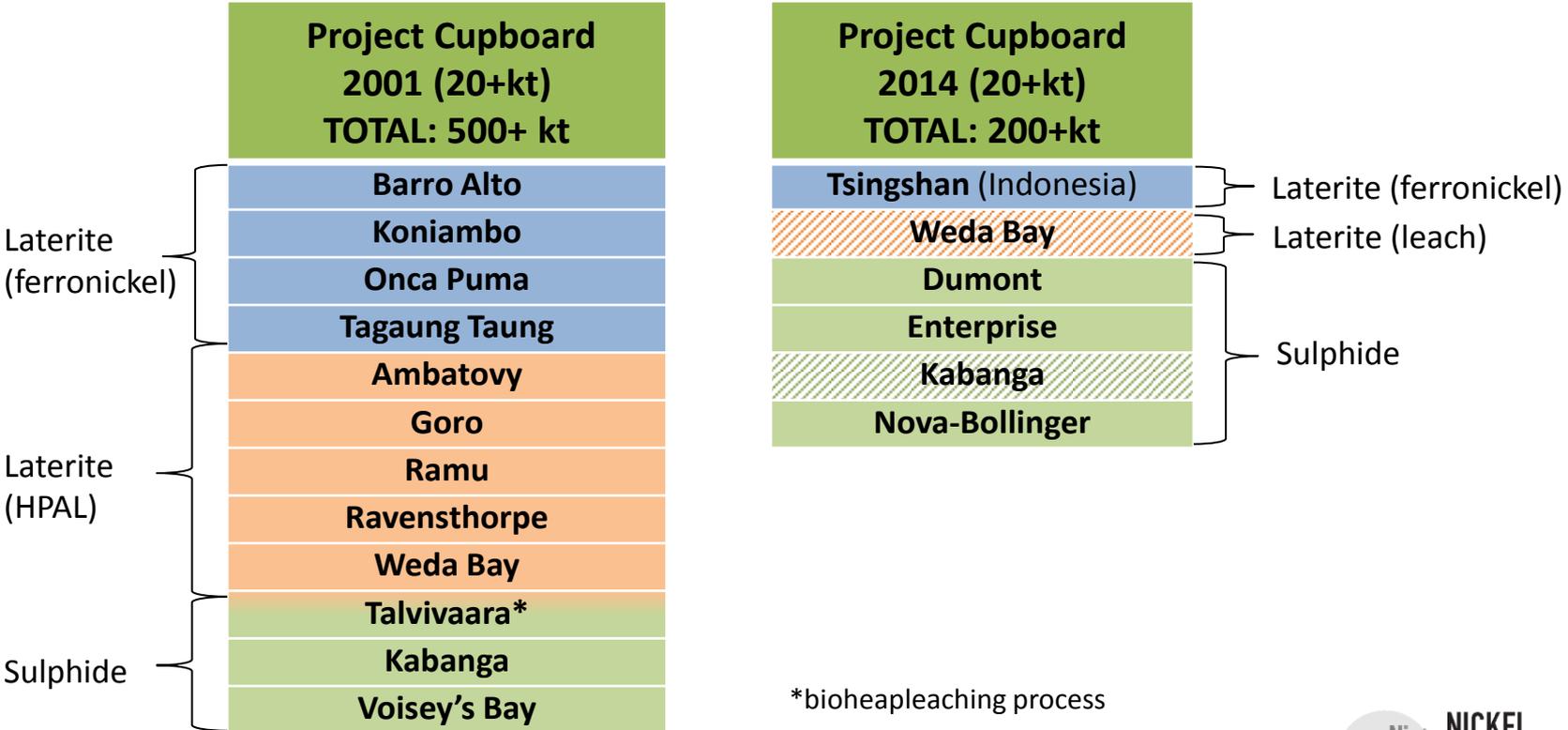
Source: Glencore: "The Realities of the Nickel Market", November 2013

# New Nickel Supply

## Fundamental Issue: An Empty “Project Cupboard”

Even without the strict implementation of the ban, the fundamental issue facing the nickel industry by 2015–2016 is an empty “project cupboard”

- At the beginning of the last decade prior to the significant run-up in nickel prices, the “project cupboard” was very full with many projects known for decades
- Today’s picture is very, very different, setting the stage for an exciting nickel cycle



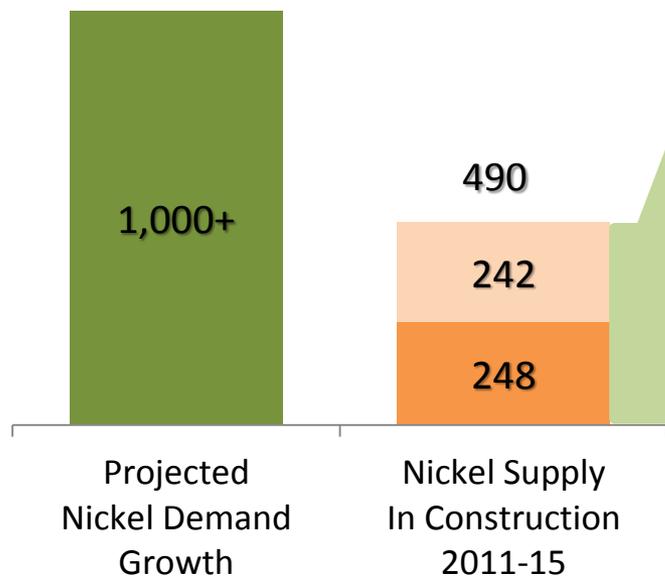
\*bioheapleaching process

# RNC Forecast

## Nickel Supply – “Tidal Wave” Projects

New supply growth from the “tidal wave” of new projects financed during prior nickel cycle is still <40% of capacity and RNC expects that it will only reach 60%+ by 2020

### Global Nickel Demand Growth Vs. Potential Supply 2010-2020



Source: Wood Mackenzie Ltd., RNC Analysis

### Nickel Supply “Tidal Wave” – High Nickel Price Scenario Ramping Up or In Construction 2010-2015 (Kt)

Project	Annual Capacity	2012	2013	RNC Forecast	
				2015	2020
VNC (Goro)	60	4	16		
Ambatovy	60	0	25		
Koniambo	60	0	1		
Onca Puma	55	6	2		
Talvivaara	50	13	9		
Barro Alto	40	22	25		
Ravensthorpe	39	33	29		
Ramu	33	5	11		
Taganito	30	0	7		
Santa Rita	26	19	16		
Eagle	17	0	0		
Niquelandia	10	0	0		
Kevitsa	10	4	9		
<b>Total</b>	<b>490</b>	<b>106</b>	<b>150</b>	<b>310</b>	<b>360</b>

**Many of the new large scale projects will struggle to be financed and be put into production by 2020**

**Nickel Supply Growth: New Projects (Kt)**

Project	Annual Capacity	RNC Forecast	
		2015	2020
Weda Bay	35		
Kabanga	20		
Enterprise	40		
Nova-Bollinger	28		
Dumont (1 <sup>st</sup> Phase)	33 <sup>1</sup>		
Tsingshan (Phase I&II)	60		
<b>Total</b>	<b>216</b>	<b>80</b>	<b>200</b>

1. Average production over phase 1 of mine life

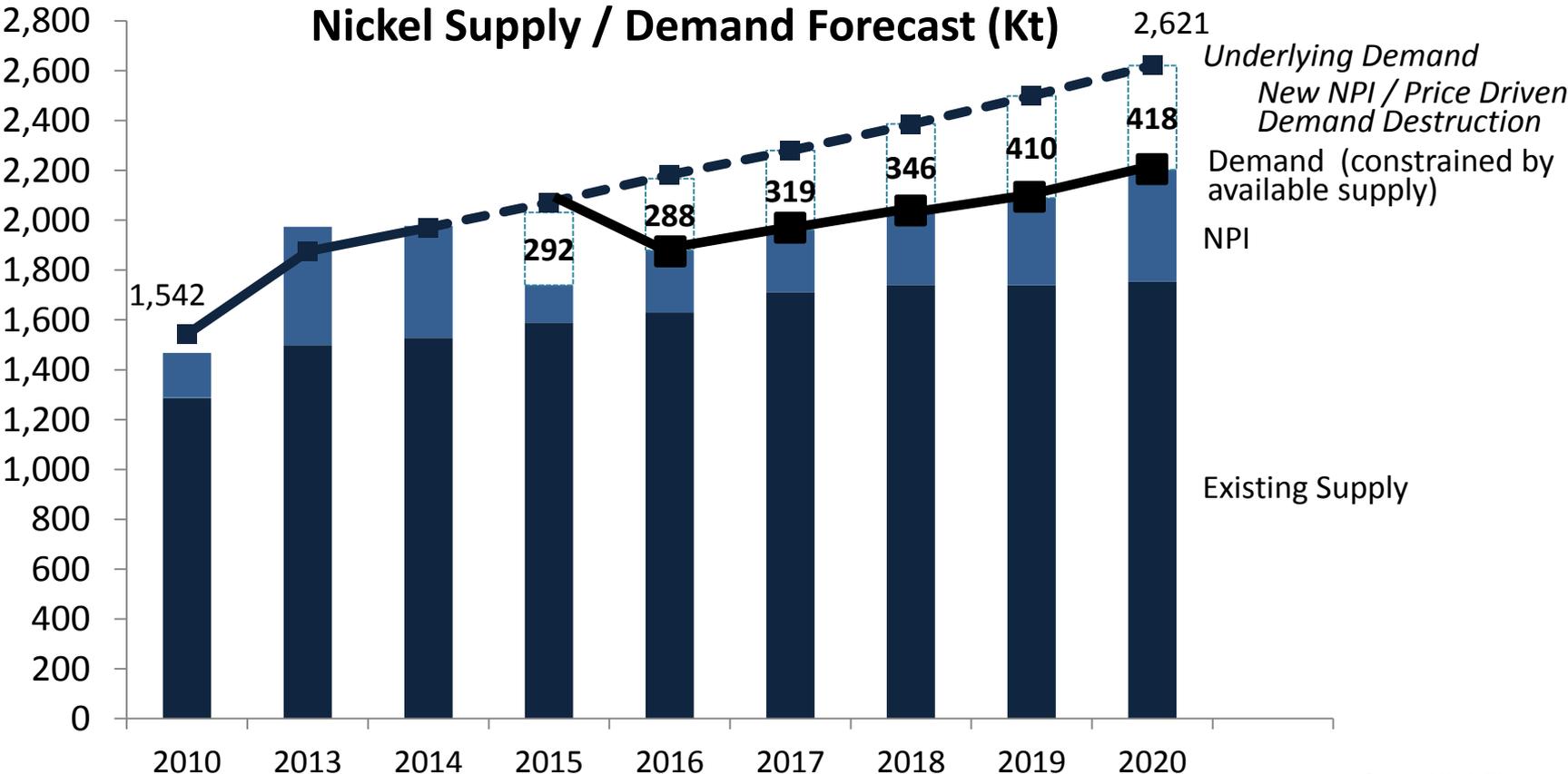
Source: Company reports, RNC Analysis

### The source of future nickel supply growth is NOT clear

- HPAL?
  - Large capex overruns (projects \$5+ billion), numerous delays and start-up issues
  - Operating costs also much higher than anticipated
- FeNi?
  - Best projects already being developed
  - No new large scale high-grade (2%+) discoveries for over 30 years
- Sulphides?
  - Largely empty project pipeline – only Enterprise, Nova-Bollinger, Dumont
  - Future growth likely to come from large scale, lower grade deposits
- NPI?
  - Largely dependent on availability of higher grade Indonesian ore
  - No NEW technology – China now using 30+ year old RKEF technology + hot charging
  - Combination of lower grade ore and higher input costs will drive costs higher

# RNC Forecast – Supply / Demand Balance

Nickel prices will once again have to rise to force demand in line with available supply as in 2006-2007 (\$30,000-\$50,000+/t), particularly 2016 when demand must **DECLINE** by 8%+ to balance the market



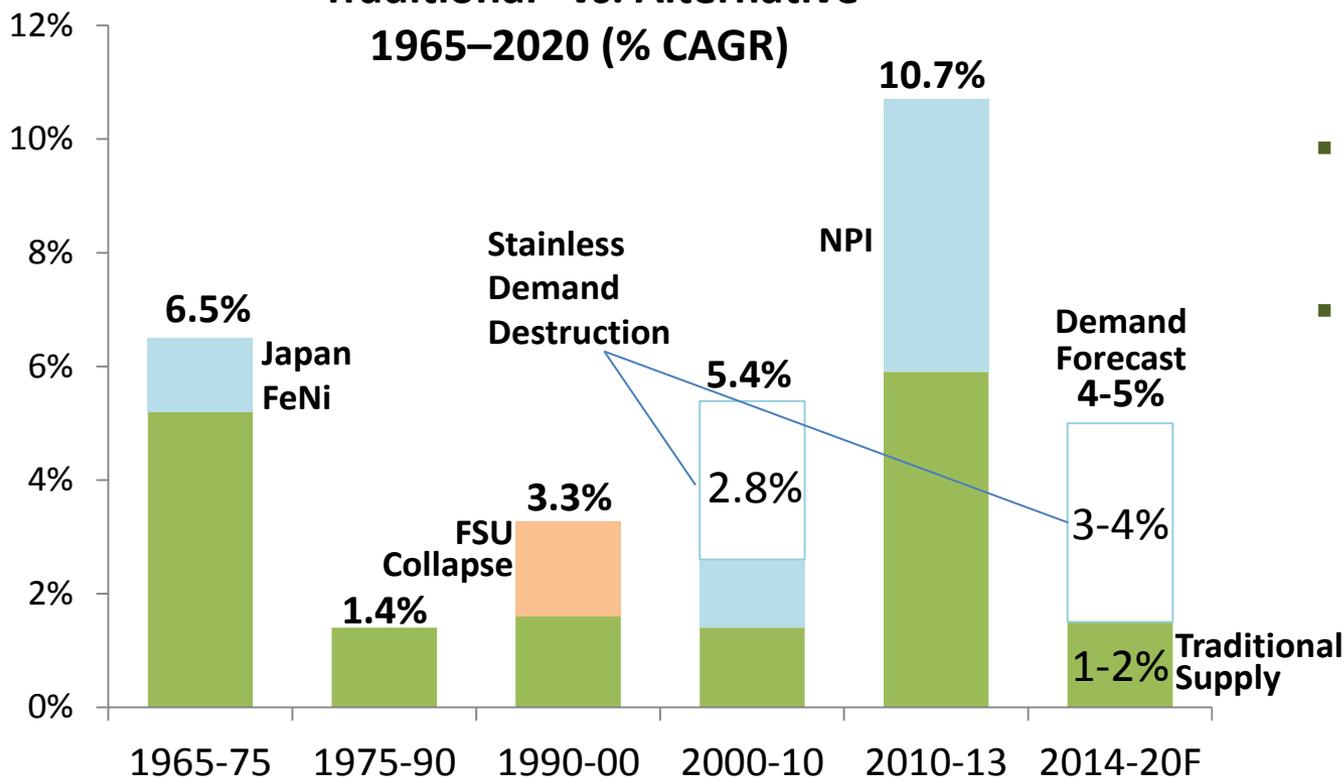
Source: Wood Mackenzie Ltd, , RNC Analysis



# Nickel Supply – Little Project Development for 35+ Years

Nickel prices *increased 10X* (from <\$5,000 to \$50,000+/t) during 2000-2010 to force demand in line with supply. *How high will prices have to rise to generate an even higher amount of required demand destruction during 2014-2020?*

**Global Nickel Supply Growth  
“Traditional” vs. Alternative  
1965–2020 (% CAGR)**



Source: Wood Mackenzie, Macquarie, RNC Analysis

- Stainless demand destruction helped bring nickel demand in line with available supply during the 2000-2010 period
- After unprecedented supply growth in 2010-2013, supply to struggle during 2014-20
- Given forecast supply growth of just 1-2% annually during 2014-2020, demand destruction of 3-4% or almost 75-80% of demand must be achieved to balance the market during 2014-2020



# GREAT PROJECT

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



**SIGNIFICANT EARNINGS  
AND FREE CASH FLOW  
GENERATION**

**\$27B**

in nickel production  
over 33 year project life

**\$427M**

annual EBITDA  
over first 20-years

**\$238M**

annual free cash flow  
over first 20-years

Note: Price and exchange rate assumptions contained in "Key Assumptions" table found on slide 37 of this presentation



**STRUCTURALLY  
LOW-COST OPERATION**

**\$1.2B**

initial capital (52.5 ktpd)

**\$4.31/lb**

total C1 cash cost  
over life of project

**\$0.9B**

Expansion capital (105 ktpd)



**STRONG PROJECT  
ECONOMICS**

**\$1.1B**

after-tax NPV<sub>8%</sub>

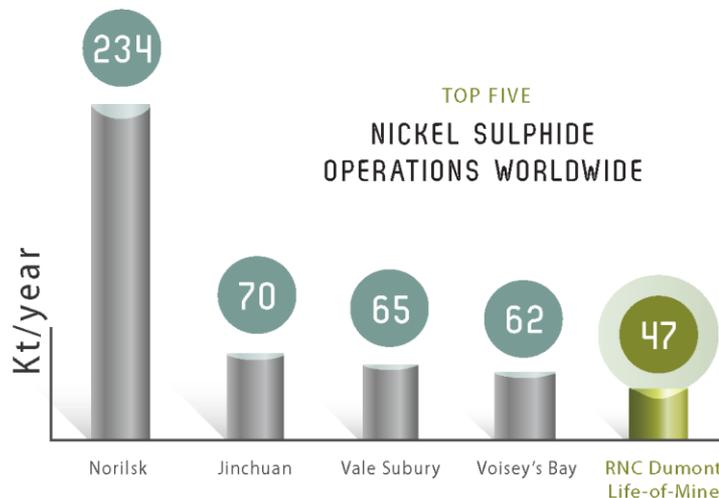
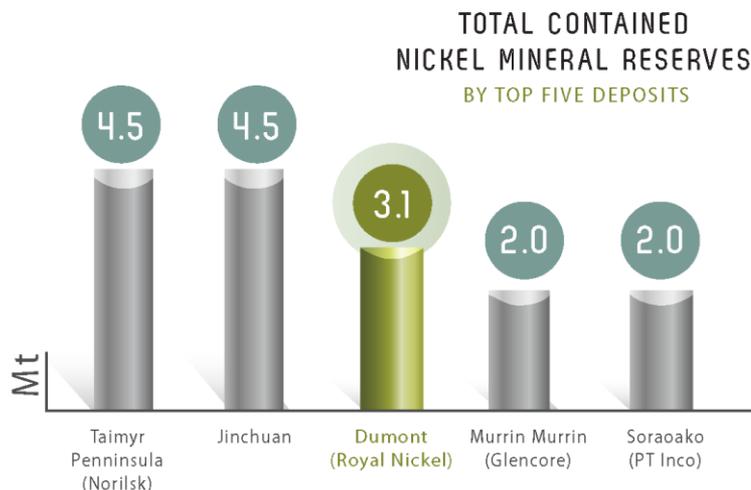
**15.2%**

after-tax IRR

# 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.



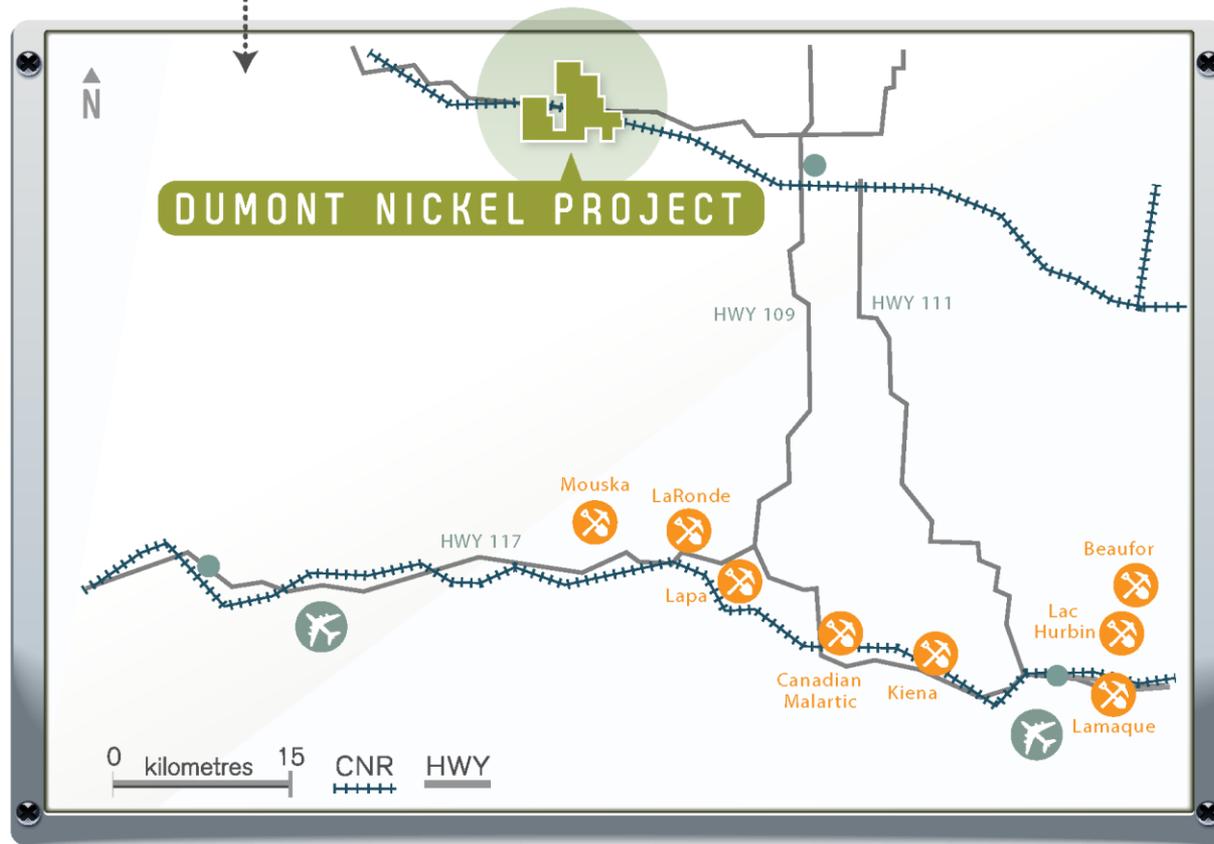
**DUMONT TO  
BE ONE OF  
THE LARGEST  
NICKEL SULPHIDE  
OPERATIONS**

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

## Structurally Low Cost Project in Excellent Jurisdiction



### ABITIBI REGION, QUEBEC, CANADA



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

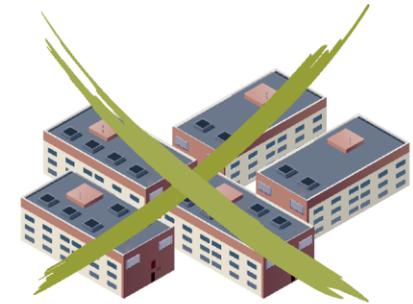
Long history of resource development (Close proximity to contractors and producing mines)

# Structurally Low Cost Project in Excellent Jurisdiction

## ABITIBI REGION, QUEBEC, CANADA



Rich mining history and skilled, local workforce

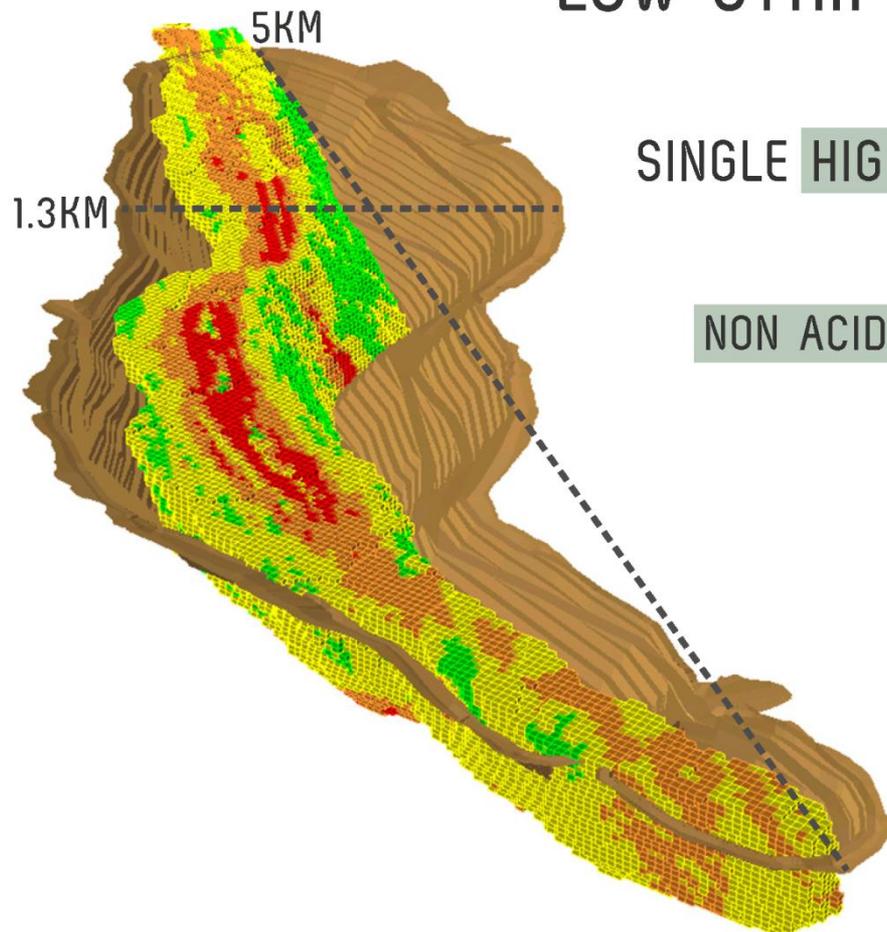


No mining camp required!

LOW STRIP RATIO: 1.1:1

SINGLE HIGH GRADE 29% NICKEL CONCENTRATE

NON ACID-GENERATING WASTE ROCK AND TAILINGS



NICKEL %

- 0.15% - 0.20%
- 0.20% - 0.25%
- 0.25% - 0.30%
- 0.30% +

Source: Technical Report on the Dumont Ni Project, Launay and Trecesson Townships, Quebec, Canada, July 25, 2013, available at [www.royalnicker.com](http://www.royalnicker.com) and on [www.sedar.com](http://www.sedar.com).

# Tsingshan Strategic Alliance Leads to World's 1<sup>st</sup> Integrated Stainless Steel Plant Utilizing Sulphide Concentrate



**Tsingshan currently constructing the world's first integrated nickel pig iron ("NPI") plant to directly utilize nickel sulphide concentrate as part of the stainless steel production process**

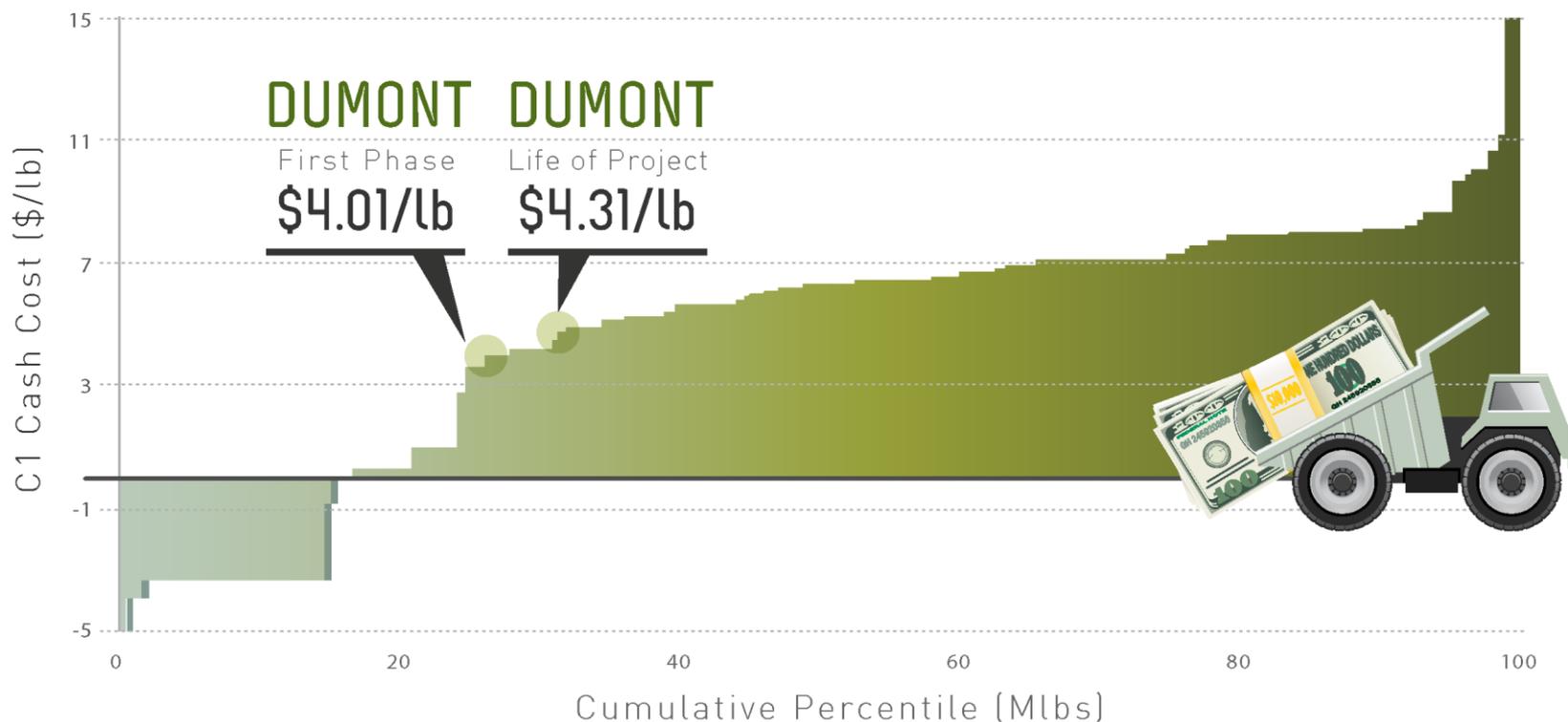
- The plant, located in China, is expected to begin operation in 2014
- Significant potential benefits to producers of suitable nickel sulphide concentrate feed such as RNC's Dumont Project:
  - Lower costs due to simpler processing compared to traditional smelting and refining
  - Higher payability than traditional smelting and refining
  - Greater flexibility for more potential partners and customers
- Roasted nickel concentrate is effectively a very high grade laterite ore feed – creates new source of demand for nickel sulphide concentrate notably at a time when many NPI and ferronickel producers face feed shortages as a result of Indonesia's recently implemented nickel ore export ban

## Well-positioned on Cost Curve

### DUMONT PROJECT

#### C1 CASH COSTS VS. 2012 C1 CASH COSTS OF GLOBAL NICKEL OPERATIONS

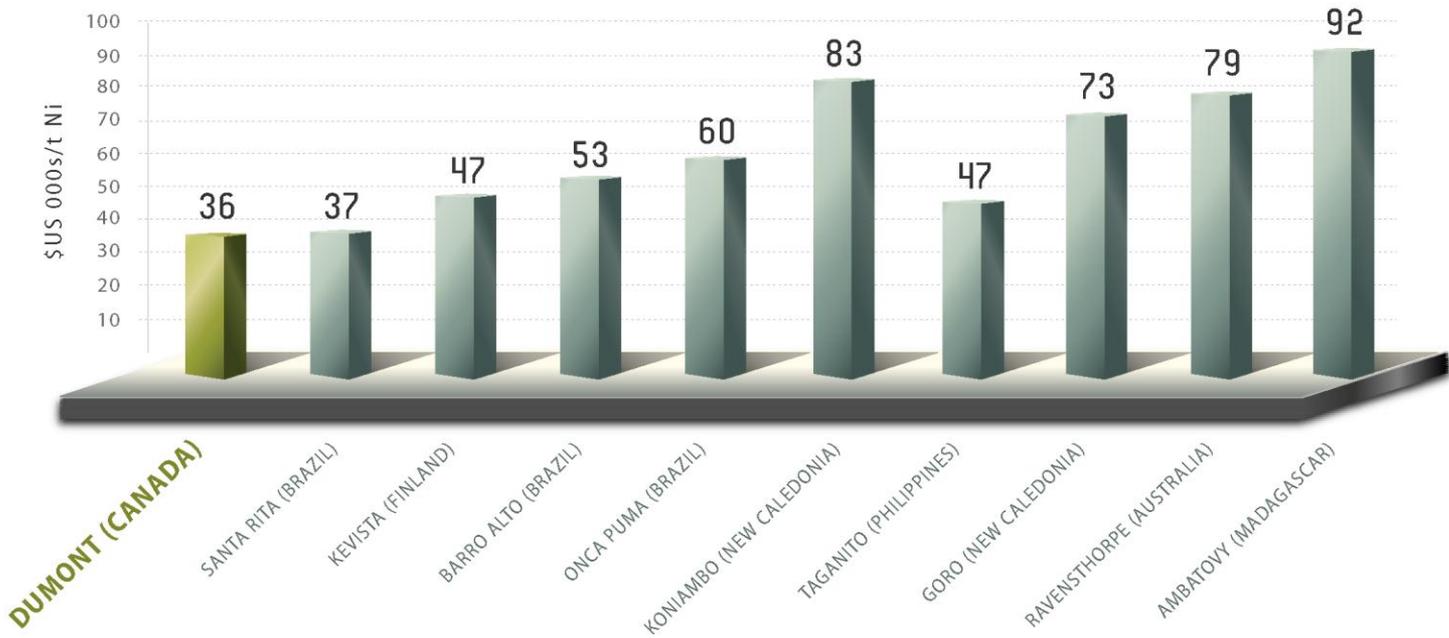
Dumont is expected to be a low cash cost producer over the entire project life with low 2nd quartile cash costs



Source: RNC technical report dated July 25, 2013, Wood Mackenzie Ltd.

# Lower Capital Intensity

DUMONT INITIAL CAPITAL INTENSITY IS MUCH LOWER THAN COMPARABLE LARGE SCALE NICKEL PROJECTS.



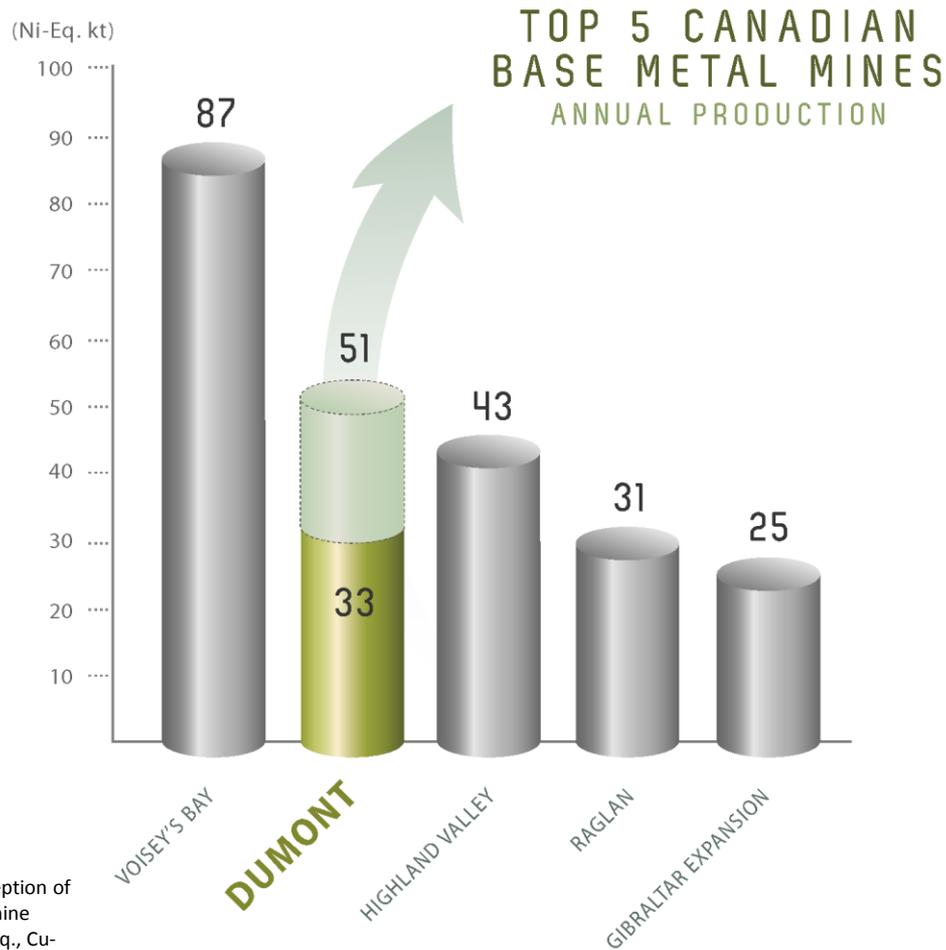
Source: RNC technical report dated July 25, 2013, publicly available disclosure, Wood Mackenzie Ltd. (figures shown to two significant digits)



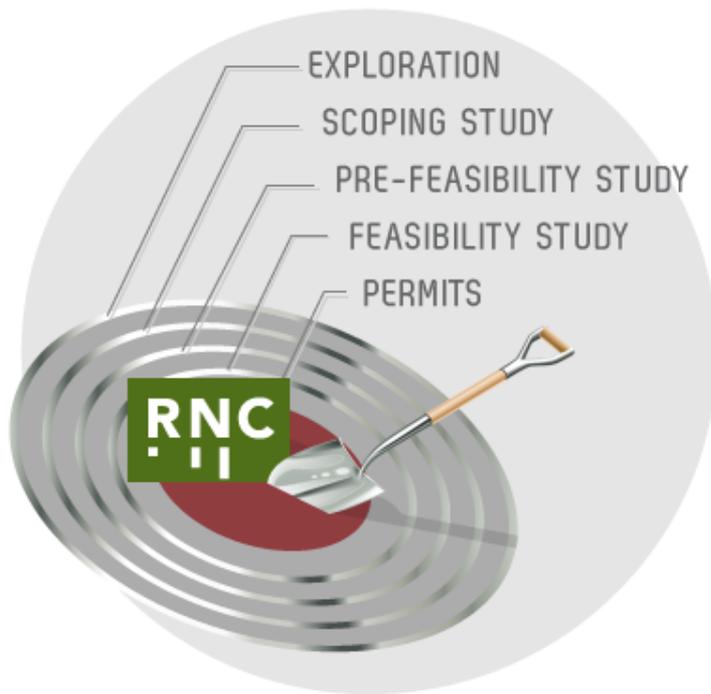
# Developing the Next Great Canadian Base Metal Mine



**DUMONT WILL BE ONE OF THE LARGEST BASE METAL MINES IN CANADA.**



Based on RNC analysis. All mines based on reported 2012 production with exception of Dumont (technical report-July 25, 2013) expected Phase I and Phase II life of mine production, Gibraltar Expansion (Taseko website) life of mine production. Ni-eq., Cu-eq production calculated using the average long-term prices per tonne as of May 31, 2013 based on the 4 of 5 analysts who cover RNC and regularly publish commodity forecasts : Au: \$1,250/oz, Cu: \$6,283, Mo: \$29,542, Ni: \$19,842, Zn:\$2,315 .



# SHOVEL READY (2014)

# Continuing to Advance Project, Only Financing and Permits Remain



# Highly Experienced Management Team and Board

## DIRECTORS

- SCOTT M. HAND** Former Chairman & CEO of Inco Limited
- PETER C. JONES** Former President & COO of Inco Limited
- PETER GOUDIE** Former Executive Vice President, Marketing at Vale Inco and Inco Limited
- FRANK MARZOLI** Chairman, President and CEO of Marbaw International Nickel Corporation
- GILLES MASSON** Former Partner at PricewaterhouseCoopers LLP (25 years)
- DARRYL SITTLER** Director of Wallbridge Mining Company Limited
- TYLER MITCHELSON** Group Head, Integration at Anglo American; Former CEO of RNC and former VP, Strategy, Business Planning and Brownfield Exploration at Vale Inco



## MANAGEMENT

- MARK SELBY**  
*Interim CEO* Former SVP, Business Development at RNC; Over 20 years experience in finance at various companies, including Quadra Mining and Inco Limited
- FRASER SINCLAIR**  
*Chief Financial Officer* Former CFO Romarco Minerals Inc. and North American Palladium Ltd. Over 30 years financial experience
- ALGER ST-JEAN**  
*Vice President, Exploration* 15 years in the mining industry, primarily focused on nickel  
Former Senior Geologist with Xstrata Nickel (formerly Falconbridge)
- JOHNNA MUINONEN**  
*Vice President, Operations* 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
- RACHEL YANG**  
*Project Director* Track record of success accumulated over 15 years of experience building large scale projects  
Formerly Project Director for SNC-Lavalin

# QUEBEC: A MINING-FRIENDLY JURISDICTION

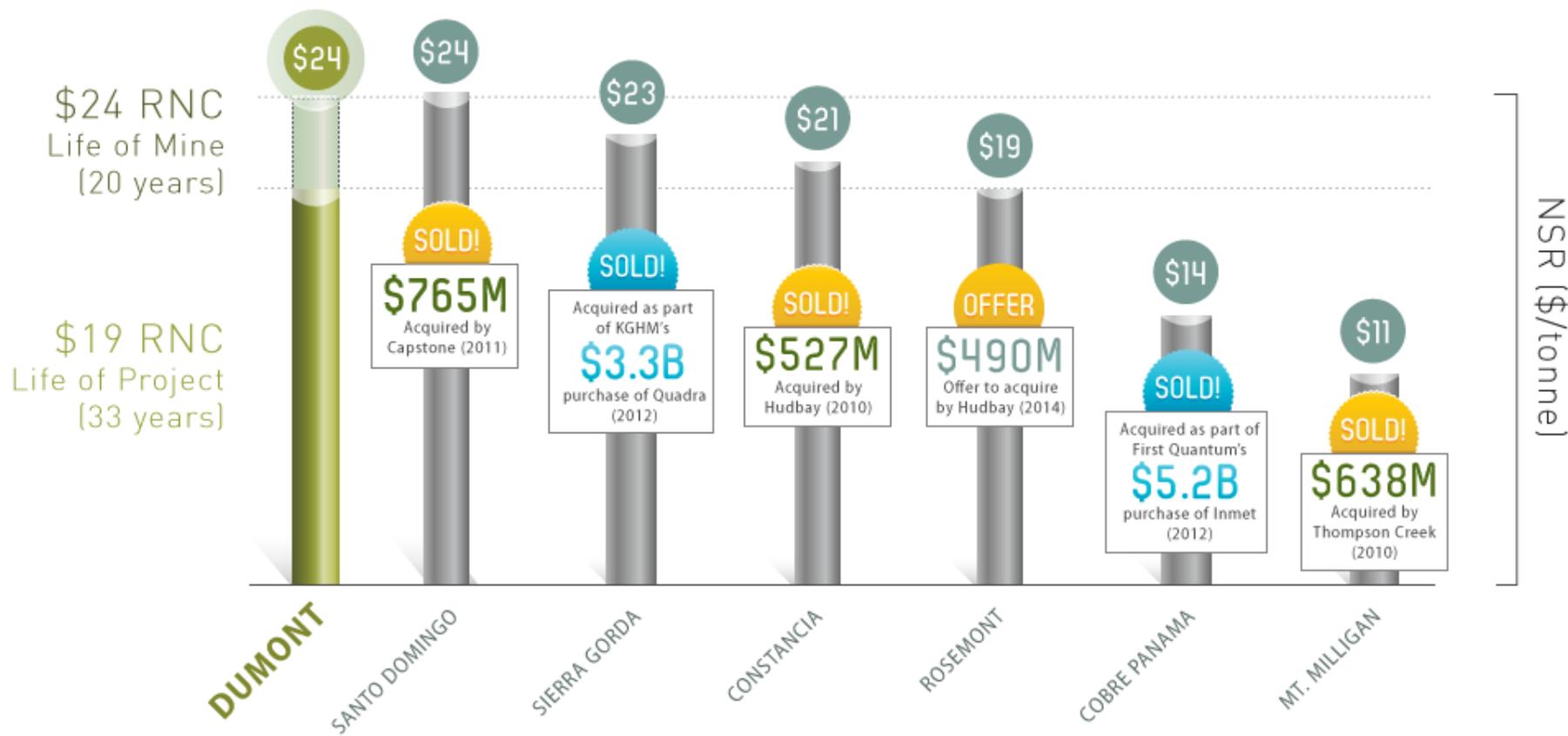


## RNC intends to pursue project financing options that minimize shareholder dilution as it did during the feasibility study stages

- In addition to the target of approximately \$500- 600 million in project debt, there are a number of other sources of potential financing which will likely be less dilutive than raising equity
  - Sale of direct minority interest in project
  - Subordinated debt structures
  - Monetization of precious metal streams (PGMs)
  - Offtake financing
- Conversations have occurred with multiple parties during the past year and are ongoing
  - Several additional interested parties elected to wait until the feasibility study was completed before entering into further discussions

# A Leading Base Metal Project Shovel Ready for Coming Development Cycle

During prior peak in development cycle in 2010-2011, many leading shovel-ready projects (with comparable recoverable ore value to Dumont) were acquired for 500+ million.



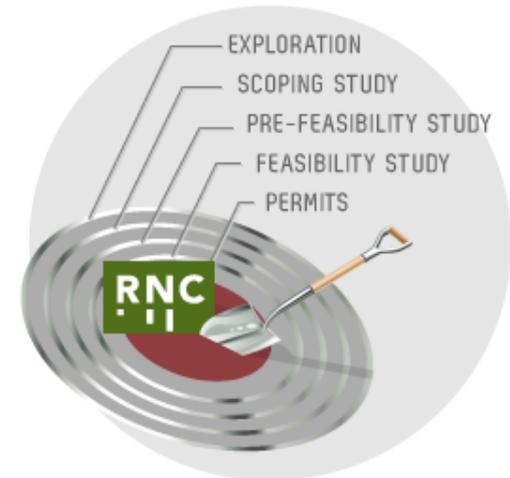
Values above sourced from latest publicly available technical reports filed on each project and reflects the base case pricing used in each report. Producing properties sourced from financial statements for recent periods selected when pricing consistent with long-term average pricing. Sources are detailed on slide 38 of this presentation.



**NICKEL  
SHORTAGES  
COMING?**



**GREAT  
PROJECT**



**SHOVEL  
READY  
(2014)**

# Appendix 1

## Sources

# 1 Billion Tonne Reserve

## Mineral Reserve Statement, Dumont Nickel Project, Snowden, June 17, 2013

Category	Quantity (000 t)	Grades				Contained Metal			
		Ni % Ni	Co (ppm)	Pd (gpt)	Pt (gpt)	Ni Mlbs	Co Mlbs	Pd 000 oz	Pt 000 oz
Proven	179,600	0.32	114	0.029	0.013	1,274	45	166	77
Probable	999,000	0.26	106	0.017	0.008	5,667	233	550	250
<b>Total</b>	<b>1,178,600</b>	<b>0.27</b>	<b>107</b>	<b>0.019</b>	<b>0.009</b>	<b>6,942</b>	<b>278</b>	<b>716</b>	<b>328</b>

## Mineral Resource Statement (inclusive of mineral reserves), Dumont Nickel Project, SRK Consulting (Canada) Inc., April 30, 2013

Resource Category	Quantity (000 t)	Grade		Contained Nickel		Contained Cobalt	
		Ni (%)	Co (ppm)	(000 t)	(Mlbs)	(000 t)	(Mlbs)
Measured	372,100	0.28	112	1,050	2,310	40	92
Indicated	1,293,500	0.26	106	3,380	7,441	140	302
<b>Measured + Indicated</b>	<b>1,665,600</b>	<b>0.27</b>	<b>107</b>	<b>4,430</b>	<b>9,750</b>	<b>180</b>	<b>394</b>
Inferred	499,800	0.26	101	1,300	2,862	50	112

Resource Category	Quantity (000 t)	Grade		Contained Palladium	Contained Platinum
		Pd (gpt)	Pt (gpt)	(000s ounces)	(000s ounces)
Measured	372,100	0.024	0.011	288	126
Indicated	1,293,500	0.017	0.008	720	335
<b>Measured + Indicated</b>	<b>1,665,600</b>	<b>0.020</b>	<b>0.009</b>	<b>1,008</b>	<b>461</b>
Inferred	499,800	0.014	0.006	220	92

Resource Category	Quantity (000 t)	Magnetite		Contained Magnetite	
		(%)	(%)	(000 t)	(Mlbs)
Measured					
Indicated	1,114,300		4.27	47,580	104,905
<b>Measured + Indicated</b>	<b>1,114,300</b>		<b>4.27</b>	<b>47,580</b>	<b>104,905</b>
Inferred	832,000		4.02	33,430	73,702

Source: RNC technical report dated July 25, 2013, available on [www.sedar.com](http://www.sedar.com). Mineral resources that are not mineral reserves do not have demonstrated economic viability.

# Price Assumptions

<b>Parameter</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Long Term</b>
Nickel Price (\$ per pound)	\$9.50	\$10.00	\$10.50	\$9.00
Nickel Price (\$ per tonne)	\$20,944	\$22,046	\$23,148	19,842
US\$/CDN\$ exchange rate	\$0.95	\$0.95	\$0.90	\$0.90
Platinum Price (\$ per ounce)	\$1,800	\$1,800	\$1,800	\$1,800
Palladium Price (\$ per ounce)	\$700	\$700	\$700	\$700
Cobalt Price (\$ per pound)	\$14	\$14	\$14	\$14
Cobalt Price (\$ per pound)	\$30,865	\$30,865	\$30,865	\$30,865
Electricity (CDN\$ per kilowatt hour)	\$0.0445	0.0445	\$0.0445	\$0.0445
Oil (\$ per barrel)	\$90	\$90	\$90	\$90

Note: Price assumptions for nickel, cobalt, platinum and palladium based on average forecasts for group of five institutions currently covering RNC where published forecasts are available (4 of 5 analysts for long-term nickel price as of April 25, 2013). Oil price assumption based on Thomson Reuters' analyst consensus estimates.

# Summary of Source Information

Project	Source	Price Assumptions Au; Ag; Pd; Pt: \$/oz, Others \$/lb	Additional Comments
RNC Dumont	Technical report dated, July 25, 2013	Long term Ni \$9; Co \$14; Pt \$1,800; Pd \$700	All figures based on feasibility study highlights reported in news release.
Inmet, Cobre Panama	Basic engineering report, May 2012	Cu \$2.75; Au \$1,250; Mo \$15.00; Ag \$20	All figures quoted directly from basic engineering report except NSR/revenue per tonne, calculated by dividing total project NSR by total ore milled.
Quadra FNX, Sierra Gorda	Technical report, June 8, 2011	Cu \$2.50; Mo \$12.00 Au \$1,000	All figures except NSR directly from technical report. NSR calculated using Table 23.23 by multiplying total payable metals X (base metal price assumptions less treatment charges for each metal outlined in Section 23.4) divided by total ore milled. Site operating costs calculated as operating costs less transport and port costs.
HudBay Minerals Constancia	Technical report, Oct. 15, 2012	Long term Cu \$2.75; Mo \$14.00; Au \$1,150; Ag \$23.00	All figures quoted directly from technical report.
Terrane, Mt. Milligan (Thompson Creek)	Technical report, October 23, 2009	Cu \$2.00; Au \$800;	All figures quoted directly from technical report.
Capstone, Santo Domingo	Technical Report, Sep. 28, 2011	Cu \$2.50; Magnetite \$1.00/dmtu Fe; Au \$1,000	All figures directly from technical report. Site operating costs calculated as operating costs less port facility costs.



## Share Structure:

▪ <b>Basic Shares Outstanding<sup>1</sup>:</b>	<b>94.4 million</b>
▪ Options ( <i>average exercise price: C\$0.67</i> )	4.5 million
▪ Deferred/Restricted Share Units	2.1 million
▪ Contingent Shares	7.0 million

▪ <b>Fully Diluted Shares Outstanding:</b>	<b>108.0 million</b>
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▪ <b>Directors and Officers Share Ownership:</b>	<b>~9%</b>
▪ <b>Largest Shareholder –</b>	
▪ <b>RAB Special Situations (Master) Fund Limited:</b>	<b>~17%</b>

## Balance Sheet Highlights<sup>2</sup>:

▪ <b>Cash and Cash Equivalents:</b>	<b>C\$11.9 million</b>
▪ <b>Current Tax Receivable:</b>	<b>C\$ 3.3 million</b>
▪ <b>Working Capital:</b>	<b>C\$13.5 million</b>
▪ <b>Market Capitalization:</b>	<b>C\$49 million</b>

1. Shares outstanding, fully diluted shares outstanding and shareholdings as at March 18, 2014  
 2. Balance sheet highlights as at December 31, 2013; market capitalization at March 19, 2014