

RNC Minerals Successfully Completes Comprehensive Debt Refinancing Of Its Beta Hunt Mine With Auramet International LLC

- **Repayment of Senior Secured Metal Prepay Agreement with Lascaux Resource Capital Fund I, L.P. and elimination of 3% NSR**
- **Low-cost working capital facility provides flexibility to fund on-going gold ramp-up, development and production growth at Beta Hunt**

TORONTO, Oct. 4, 2016 /CNW/ - RNC Minerals (TSX: RNX) ("RNC") is pleased to announce that it has closed a comprehensive refinancing package with Auramet International LLC ("Auramet") to fund the repayment of all obligations arising under the Senior Secured Metal Prepay Agreement with LRC-SLM L.P. (100% owned by Lascaux Resource Capital Fund I, L.P.) and provide financial flexibility for the ongoing ramp-up and development of the Beta Hunt Mine.

"We are pleased to have repaid the Lascaux facility and eliminated its 3% NSR on gold production from Beta Hunt and restriction on RNC's access to cash flow. The comprehensive Auramet financing solution provides near-term operating flexibility (no repayments until February 28, 2017), a low cost working capital facility (LIBOR + 4.5%) that will support our aggressive ramp-up of mine exploration and production, and significantly more flexibility to lock in near-record Australian dollar gold prices. We would like to thank Lascaux for its support of Beta Hunt. We also welcome Auramet's involvement with the mine, building on its history and knowledge of the operation," said RNC President & CEO, Mark Selby.

The Auramet financing package is comprised of a US\$16.5 million Senior Secured Gold Loan and US\$6.5 million in working capital facilities (a US\$5.5 million in-process gold facility and a US\$1.0 million in-process nickel facility).

US\$16.5 Million Senior Secured Gold Loan

The US\$16.5 million Senior Secured Gold Loan will be repaid by the delivery of 16,800 gold ounces over a 30 month period commencing on February 28, 2017 (560 ounces per month). RNC also granted call options to Auramet on 1,000 gold ounces per month, with a strike price of A\$1,900 per ounce (approximately A\$78 per ounce higher than the all-time Australian dollar gold price and more than A\$185 per ounce higher than the closing gold price on October 3, 2016) and expiration dates from February 28, 2017 through September 30, 2018.

US\$6.5 Million Working Capital Facilities

Auramet has also agreed to provide US\$6.5 million in working capital facilities, comprised of a US\$5.5 million in-process gold facility and a US\$1.0 million in-process nickel facility. These facilities bear interest at a rate of

LIBOR + 4.5% per annum, and form part of agreements providing for the purchase by Auramet at market rates of all gold and nickel produced by Beta Hunt during the term of the gold loan.

The proceeds from the Auramet refinancing were applied to repay all outstanding obligations owed under the Lascaux Facility, resulting in the elimination of the related 3% gold royalty and other covenants.

As part of the re-financing package, Auramet and RNC have implemented a forward sale gold price protection program covering 1,300 ounces per month of Beta-Hunt gold production at an average price of A\$1,728 over a 15 month period commencing in February 2017 and expiring in April 2018, representing approximately one-quarter of monthly production during this period. The security granted to Auramet under the Senior Secured Gold Loan includes a pledge by RNC of its shares in Salt Lake Mining Pty. (owner of the Beta-Hunt mine) and its shares in VMS Ventures Inc. (owner of a 30% interest in Reed Lake copper mine). The Senior Secured Gold Loan is repayable at any time without penalty.

Haywood Securities Inc. acted as exclusive financial advisor to the Company in connection with the financing.

About RNC

RNC is a multi-asset mineral resource company focused primarily on the acquisition, exploration, evaluation and development of base metal and precious metal properties. RNC's principal assets are the producing Beta Hunt gold and nickel mine in Western Australia, the Dumont Nickel Project located in the established Abitibi mining camp in Quebec and a 30% stake in the producing Reed Mine in the Flin Flon-Snow Lake region of Manitoba, Canada. RNC also owns a majority interest in the West Raglan and Qiqavik projects in Northern Quebec. RNC has a strong management team and Board with over 100 years of mining experience at Inco and Falconbridge. RNC's common shares trade on the TSX under the symbol RNX. RNC shares also trade on the OTCQX market under the symbol RNKLF.

Cautionary Statement Concerning Forward-Looking Statements

This news release contains "forward-looking information" including without limitation statements relating to the completion of the Financing.

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: failure of the parties to sign definitive agreements and satisfy conditions of closing; 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.

Although RNC has attempted to identify important factors that could cause actual actions, events or results to differ

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

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

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