

## **RNC Announces Completion Of Previously Announced Low Cost Toll Processing Agreement And Purchase Option With Westgold, And Extension Of Copper Prepayment Agreement With Auramet**

TORONTO, July 11, 2017 /CNW/ - RNC Minerals Corporation (**"RNC"**) (TSX: RNX) has completed the previously announced (see RNC news release dated February 13, 2017) toll processing and purchase option agreements with Westgold Resources Limited (**"Westgold"**). Ore processing under the toll agreement is expected to commence on or about July 22, 2017. The purchase option agreement sets forth the detailed terms under which RNC would acquire Westgold's South Kalgoorlie Operations (**"SKO"**) in the event RNC elects to exercise the option. RNC has not yet made a determination as to whether it will exercise the option.

RNC has also signed and closed a US\$3.3 million extension of the existing Copper Prepayment Agreement with Auramet International LLC (**"Auramet"**) with respect to RNC's 30% share of metals production at the Reed Mine operated by Hudbay.

Mark Selby, President and CEO of RNC, commented "The tolling agreement with Westgold provides RNC with a lower cost toll milling alternative for Beta Hunt gold, while the option agreement provides us with an option to significantly expand our Kalgoorlie footprint through a potential acquisition of the SKO mining assets and milling infrastructure which is located approximately 30 km from RNC's Beta Hunt Mine. The extension to the Auramet copper prepayment agreement provides additional liquidity to support the ramp-up of gold production at the Beta Hunt Mine, which achieved commercial production in June 2017. We continue to look forward to robust performance at Beta Hunt in the second half of 2017 to deliver our previously announced 2017 production guidance."

### **Beta Hunt Toll Agreement and SKO Purchase Option**

Under the tolling agreement, Westgold has granted RNC access to 50% of its plant capacity at SKO on an approximate three weeks on / three weeks off basis during the 12 month term of the agreement. RNC will pay Westgold toll processing fees on a fixed plus variable arrangement on commercial terms. It is anticipated that the total toll processing and transportation costs will be materially lower than RNC's existing arrangements.

As previously announced, RNC will issue a total of 23.4 million shares in exchange for these tolling rights and the option to acquire the SKO business.

### **Extension to Secured Copper Prepayment Agreement**

Auramet has agreed to extend the current copper prepayment arrangements through an additional US\$3.3 million advance in exchange for the delivery of 1.5 million pounds of copper (300,000 pounds per month commencing on March 30, 2018 and ending on July 31, 2018). An upfront fee of 2% of the prepayment amount was paid to Auramet under the terms of the extension.

## **About Royal Nickel Corporation**

RNC is a multi-asset mineral resource company with a portfolio of gold and base metal production and exploration properties. RNC's principal assets are the producing Beta Hunt gold and nickel mine in Western Australia, a 50% interest in a nickel joint venture with Waterton that holds the Dumont Nickel Project in the Abitibi region of 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 liquidity and capital resources of RNC, production guidance and the potential of the Beta Hunt and Reed mines.*

*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).*

*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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