

DRILL RESULTS FROM BETA HUNT

Good Start, on Initial Drill Results from Beta Hunt; Upgrading to Buy

OUR TAKE: Following the discovery of the high-grade Father's Day Vein last fall, the initial drill results from two shear zones at Beta Hunt are encouraging.

KEY HIGHLIGHTS

- ◆ **RNC Minerals released the initial results from its drill program at Beta Hunt.** The results are from 46 holes: 19 holes totaling 2,350m at the Western Flanks Zone, and 27 holes totaling 3,416m in the A Zone that were initiated in 4Q18.
- ◆ **Results were encouraging,** demonstrating proof of concept that mineralization extends along the shear zones in contact with the marker sedimentary layer within the Lunnon basaltic unit. Ultra high grade mineralization, such as the Father's Day Vein discovered last fall in the A Zone, has now been intersected (albeit one intersection over a very narrow width) in the Western Flanks Zone. This mineralization consists of gold within extensional quartz carbonate veins near the shear-sediment contact. Drilling is also demonstrating potential for broader, lower grade gold mineralization in the surrounding basalt unit with strike extension potential.
- ◆ **The A Zone drilling** targeted the sediment layer and shear near the Father's Day vein intersected 119.4g/t Au over 6.4m, including 1,406g/t Au over 0.5m, 7m below the Father's Day Vein. The remaining intersections were in basalt near the sediment layer and were mostly in the 4g/t Au range (See Figure 3 for drill highlights).
- ◆ **The first drilling at Western Flanks** to test the sediment layer intersected 1,017g/t Au over 2m, including 7,621g/t over 0.27m, suggesting the existence of a high grade vein similar to the Father's Day Vein. Lower grade intersections reached 4-6g/t Au in basalt, demonstrating potential for broader, lower grade mineralization, similar to the A Zone (See Figure 3 for drill highlights).

OUTLOOK

- ◆ **A more comprehensive drilling release will be provided in mid-February.** Future drilling in the 40km program will continue infilling and extending resources in the A Zone and the Western Flanks Zone. Both zones have the potential to extend mineralization for 2km or more along the shear structure in contact with the sediment layer over a thickness of 5-20m for Western Flanks and 3-8m along the A Zone.

RECOMMENDED ACTION

We recommend BUY in anticipation of results in February

- ◆ **We are upgrading to BUY (from HOLD) and maintaining our C\$0.75 target price.** These initial drill results are a good start to delineating new mineralization for the A Zone and Western Flanks Zone. We believe the next drill results will continue to demonstrate the potential at Beta Hunt. We recognize the stock is expensive, and the strike and thickness of gold mineralization has not been defined, but the prospect of developing a significant resource in two shear zones is attractive. Our target price reflects some of this upside potential.

CATALYSTS

1. **1Q19** - More comprehensive drill release in mid-February
2. **1Q19** - Year-end production results in mid-February, year-end financial results at the end of March

PROJECTED RETURN

29%

RISK FACTOR

Very High

SCENARIO ANALYSIS

Downside Scenario	Current Price	Price Target
C\$0.45	C\$0.58	C\$0.75
↓ 22%		↑ 29%

KEY STATISTICS AND METRICS

52-Week High/Low	C\$1.18/C\$0.07
YTD Performance	21%
Dividend Yield	NA
Shares O/S	466.2M (Basic) 510.4M (F/D)
Market Capitalization	\$203M
Cash (Q1/19 estimate)	C\$10M
Debt (Q3/18)	\$6M
Enterprise Value	\$209M
Daily Volume (3 mos.)	4,369,390
Currency	US\$ unless noted

HAYWOOD ESTIMATES (CAD)

	2018E	2019E	2020E
Revenue (\$M)	103	123	135
EBITDA (\$M)	32	45	53
EPS (\$)	0.04	0.07	0.09
CFPS (\$)	0.03	0.08	0.10
FCFPS (\$)	0.02	0.06	0.08

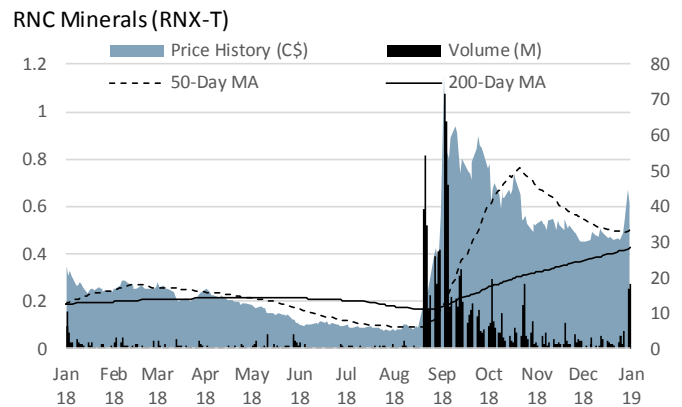
VALUATION

Our 12-month target price is based on 1.0x NAV, using the diluted NPV_{10%} of RNX's interest in Dumont and gold resources at Beta Hunt.

INVESTMENT THESIS

- ◆ **We are upgrading to BUY rating, maintaining our C\$0.75 target price.** These initial drill results demonstrate proof of concept for the A Zone and Western Flanks Zone mineralization that demonstrates (1) high grade intersections in narrow vein structures, and (2) lower grade intersections over broader areas in surrounding basalt. Based on this recent success, we believe the next drill results in February may continue to demonstrate the potential at Beta Hunt. Accordingly, we reiterate our target multiple of 1.0x NAV, reiterating our target price of C\$0.75.

SCENARIO ANALYSIS



Source: Capital IQ, and Haywood Securities

TARGET PRICE

Our 12-month target price is based on 1.0x NAV, using the diluted NPV_{10%} of RNX's interest in Dumont and gold resources at Beta Hunt, allowing for upside for exploration success. The valuation is supported by a cash balance of C\$10M and pending sales of gold specimens for an additional C\$10-C\$15m.

DOWNSIDE CASE

Our downside case reflects a lack of, or insufficient discoveries to advance a meaningful resource at Beta Hunt. The C\$0.45 target scenario represents previous levels of the stock prior to the recent outperformance related to the drill results at Western Flanks and the A Zone.

KEY RISKS

- **The Beta Hunt mine's upside is speculative.** We recognize the early stage nature of further discoveries at Beta Hunt, especially given the strong stock performance since September, 2018, when the discovery of high grade gold from the Father's Day Vein was announced. Future stock performance will be very dependent on drilling and exploration success, and we expect volatility will be high, with downside risk to the share price performance.

RNC Minerals is a mining company with production from the 100% owned Beta Hunt gold mine in Australia and a 28% joint-venture interest in the Dumont nickel project in Québec. RNC is also a 55% shareholder in Orford Mining, which controls gold properties in Québec.

Website

www.rncminerals.com

Key Management

Mark Selby (CEO)

Kevin Small (COO)





RNC Minerals (RNX-T)

Rating: BUY Risk: Very High

Target Price: C\$0.75

Metric: 1.0x After-Tax Corporate NAV

Target Price, C\$	\$0.75
Current Price, C\$	\$0.58
Return, %	29%
52-Week High / Low, C\$	\$1.18 / \$0.07
Daily Volume (100-day avg)	4,369,390

Shares O/S, million	466.2
Shares F/D, million	510.4
Market Capitalization, US\$M	\$202.8
Company CEO	Mark Selby
Company Web Site	www.mcminerals.com

Balance Sheet and Capitalization					As of: Q3/18A
	US\$M	US\$ / Sh	C\$M	C\$ / Sh	
Market Capitalization	\$203	\$0.44	\$270	\$0.58	
Current Cash	\$1	\$0.00	\$1	\$0.00	
Working Capital	(\$21)	(\$0.04)	(\$27)	(\$0.06)	
Total Debt	\$6	\$0.01	\$8	\$0.02	
Non-Controlling Interest	\$0	\$0.00	\$0	\$0.00	
Book Value	\$9	\$0.02	\$13	\$0.03	
Enterprise Value (EV)	\$209	\$0.45	\$278	\$0.60	

*Balance sheet figures reflect last reported period

C\$/US\$ FX Rate: \$1.33

Share Capital Dilution						
	As of	Number	Avg. Price	Proceeds	ITM	Expiry
Shares Outstanding	Nov-18	466.2M				
Options	Nov-18	31.3M	C\$0.32	C\$10.0M	C\$9.3M	Sep/18 - Sep/21
Warrants	Nov-18	1.5M	C\$0.25	C\$0.4M	C\$0.4M	Sep/19 - Sep/19
Deferred Share Units	Nov-18	1.0M				
Restricted Share Units	Nov-18	3.5M				
Total Dilutive	Nov-18	44.2M		C\$10.3M	C\$9.6M	Sep/18 - Sep/21
Fully Diluted OS		510.4M				

Financial Forecast				
	2018E	2019E	2020E	2021E
Realized Au Price	\$1,269	\$1,300	\$1,400	\$1,400
Realized Ni Price	\$5.96	\$6.00	\$6.50	\$7.00
C\$/US\$ FX Rate	\$1.30	\$1.25	\$1.28	\$1.28
Shares O/S, millions	441	491	491	491
Revenue, C\$M	\$103	\$123	\$135	\$135
Gross Profit, C\$M	\$64	\$73	\$86	\$86
Operating Income, C\$M	\$33	\$53	\$64	\$64
EBITDA, C\$M	\$32	\$45	\$53	\$53
Earnings, C\$M	\$16	\$38	\$46	\$48
EPS, C\$	\$0.04	\$0.07	\$0.09	\$0.09
Operating Cash Flow, C\$M	\$11	\$43	\$50	\$54
CFPS, C\$	\$0.03	\$0.08	\$0.09	\$0.10
Free Cash Flow, C\$M	\$6	\$32	\$39	\$44
FCFPS, C\$	\$0.02	\$0.06	\$0.07	\$0.08
Capex, C\$	\$5	\$11	\$11	\$11

Beta Hunt Production Profile				
	2018E	2019E	2020E	LOM
Nickel				
Ore Milled, kt	17	-	-	
Mill Capacity, 000 tpd	94	-	-	
Mill Grade (%)	2.21%	-	-	
Gold				
Ore Milled, kt	487	500	500	1,500
Mill Capacity, 000 tpd	1,353	1,389	1,389	1,042
Mill Grade (g/t)	3.79	5.00	5.00	5.00
Nickel Sold, 000s lbs	728	-	-	-
Gold Sold, Koz	69.68	75.55	75.55	227
Nickel - Unit Operating Costs				
All-In Sustaining Cost, US\$/lb Sold	\$ 2.80	\$ -	\$ -	\$ -
All-In Sustaining Cost, US\$/tonne Sold	\$6,173	-	-	-
Gold - Unit Operating Costs				
All-In Sustaining Cost, US\$/oz Sold	\$903	\$759	\$754	\$755
C1 Cash Operating Cost, US\$/oz Sold	\$807	\$601	\$600	\$450
Total Mining Operations Costs, C\$/t milled	\$126	\$124	\$127	\$126

Reed Production Profile (100% basis, 30% ownership)				
	2018E	2019E	2020E	
Ore mined, kt	326	-	-	
Copper (%)	3.30%	-	-	
Gold (g/t)	0.77	-	-	
Silver (g/t)	9.09	-	-	
Copper Production, 000s lbs	22,410	-	-	
Gold Production, koz	4,656	-	-	
Silver Production, koz	53,528	-	-	

Corporate NAV Summary and Sensitivity							Spot
Forecast Gold Price, US\$/lb	Haywood Model	\$1,100	\$1,200	\$1,300	\$1,400	\$1,283	
Forecast C\$/US\$ FX Rate		\$1.20	\$1.25	\$1.30	\$1.35	\$1.33	
Corporate Adjustments, C\$M	\$90	\$39	\$74	\$110	\$137	\$119	
Beta Hunt Mine After-Tax NPV 5.0%, C\$M	\$130	\$74	\$99	\$125	\$153	\$128	
Dumont JV (22% Ownership) After-Tax NPV 10.0%, C\$M	\$155	\$155	\$155	\$155	\$155	\$155	
Orford Mining (55% Ownership)	\$7	\$7	\$7	\$7	\$7	\$7	
Resource Valuation, C\$M	\$13	\$13	\$13	\$13	\$13	\$13	
Corporate NAV, C\$M	\$394	\$287	\$347	\$410	\$464	\$422	
Corporate NAV, C\$ / F/D share	\$0.75	\$0.55	\$0.66	\$0.78	\$0.88	\$0.80	
Target Price / Corporate NAV	1.0x	1.4x	1.1x	1.0x	0.9x	0.9x	
2018E Operating Cash Flow Sensitivity (C\$/Share)	\$0.03	\$0.01	\$0.02	\$0.03	\$0.04	\$0.03	
2019E Operating Cash Flow Sensitivity (C\$/Share)	\$0.08	\$0.05	\$0.07	\$0.09	\$0.10	\$0.09	

Major Shareholders		
	O/S (millions)	O/S (%)
Sprott, Eric Steven	46.7	10%
Marzoli, Frank	3.6	1%
Hand, Scott McKee	3.0	1%
Marquest Asset Management Inc.	2.7	1%
Selby, Mark Thomas Henry	2.1	0%
Mack & Weise GmbH Vermögensverwaltung	1.8	0%
Total	60.0	13%

Corporate Metal Inventory - Reserve and Resource				
Beta Hunt Gold Mineral Resources (using a 1.8 g/t Au cut-off grade, as at 1st February 2016)				
	Tonnes (kt)	Grade (g/t Au)	Ounces (koz)	EV/oz (US\$/oz)
Measured Resources (100%)	-	0.00	-	\$0
Indicated Resources (100%)	815.00	3.50	92.00	\$2,268
Measured and Indicated Resources (100%)	815.00	3.50	92.00	\$2,268
Inferred Resources (100%)	2,910.00	3.40	321.00	\$650

Peer-Group Comparables							
	Share Price	Corp NAV	Price/Nav	2018E P/CFPS	2019E P/CFPS	2018E EV/CF	2019E EV/CF
Alio Gold Inc. (TSX:ALO)	C\$0.99	US\$ 2.20	0.34x	5.5x	2.1x	5.4x	2.1x
Argonaut Gold Inc. (TSX:AR)	C\$1.48	US\$ 2.86	0.39x	3.1x	2.4x	2.9x	2.2x
Atlantic Gold Corporation (TSXV:AGB)	C\$1.62	US\$ 1.96	0.62x	5.3x	5.0x	6.3x	6.0x
Jaguar Mining Inc. (TSX:JAG)	C\$0.22	US\$ 0.64	0.25x	2.0x	1.4x	2.3x	1.6x
Roxgold Inc. (TSX:ROXG)	C\$0.79	US\$ 1.06	0.56x	3.1x	2.4x	2.9x	2.2x
Superior Gold Inc. (TSXV:SGI)	C\$0.72	US\$ 1.46	0.37x	5.0x	2.0x	3.6x	1.4x
Wesdome Gold Mines Ltd. (TSX:WDO)	C\$4.24	US\$ 3.45	0.92x	14.2x	12.6x	13.9x	12.3x
Group Average			0.49x	5.5x	4.0x	5.3x	4.0x
Group Average (excluding high/low)			0.46x	4.4x	2.8x	4.2x	2.8x
RNC Minerals (Haywood) (TSX:RNX)	C\$0.58	US\$ 0.60	0.73x	20.2x	6.6x	20.7x	6.8x

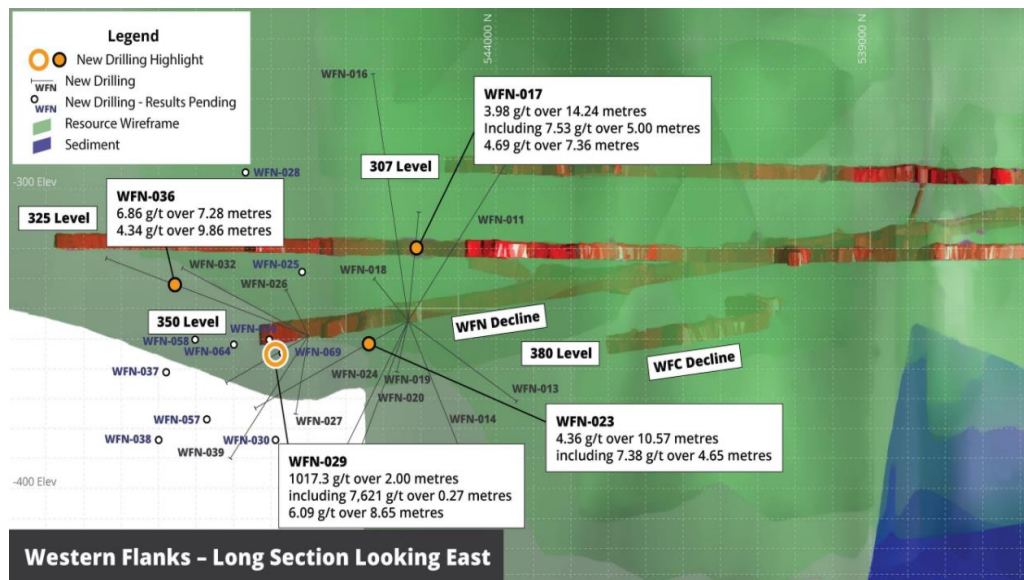
C\$/US\$ FX Rate: \$1.33

Recent Financings	
Sept 19, 2017 - US\$4M convertible term debt (@ 15%) with Pala Investments (Convertible @ C\$0.2537 per unit, includes 5M 3 year warrants @ C\$0.25)	
June 7, 2017 - US\$10M four-year Senior Secured Convertible term debt (@ 10%) with Waterton (Convertible @ C\$0.2573 per unit)	
Sept 23, 2016 - C\$9.2M bought deal private placement (27M shares @ C\$0.34 per unit, with warrant)	
Jul 21, 2016 - C\$1.7M non-brokered private placement (3.3M flow-through shares @ C\$0.51 per unit)	
May 26, 2016 - C\$8.7M bought deal equity financing (17M shares @ C\$0.51 per share)	
Jun 12, 2015 - C\$3.7M brokered private placement (8.6M flow-through shares @ C\$0.35 per flow-through share and 2.4M shares at C\$0.275 per share)	

Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities



Figure 1. Long section of Western Flanks Zone showing recent drill results.



Source: Company Reports

Figure 2. Long section of A Zone showing recent drill results.

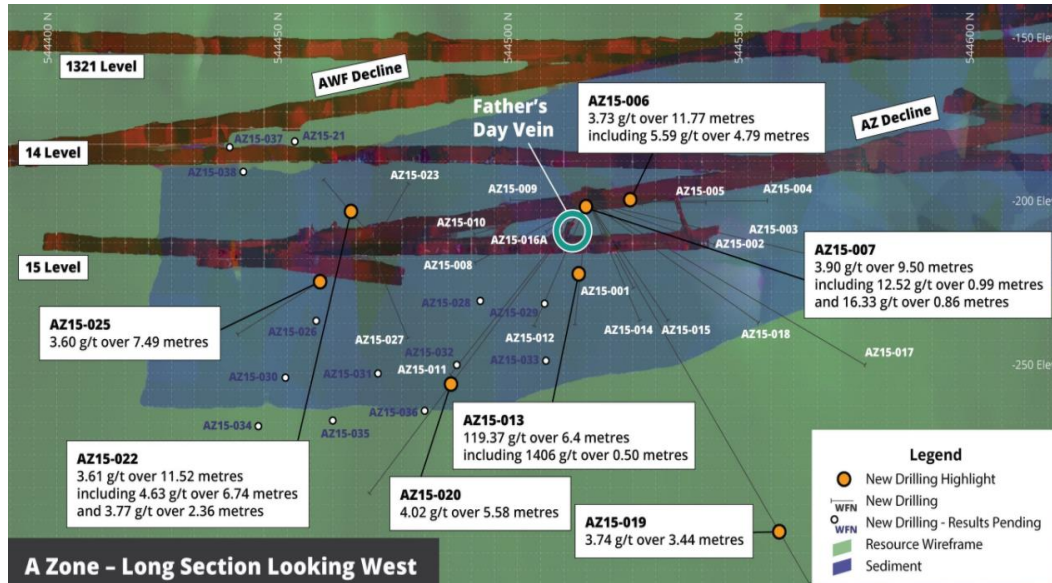
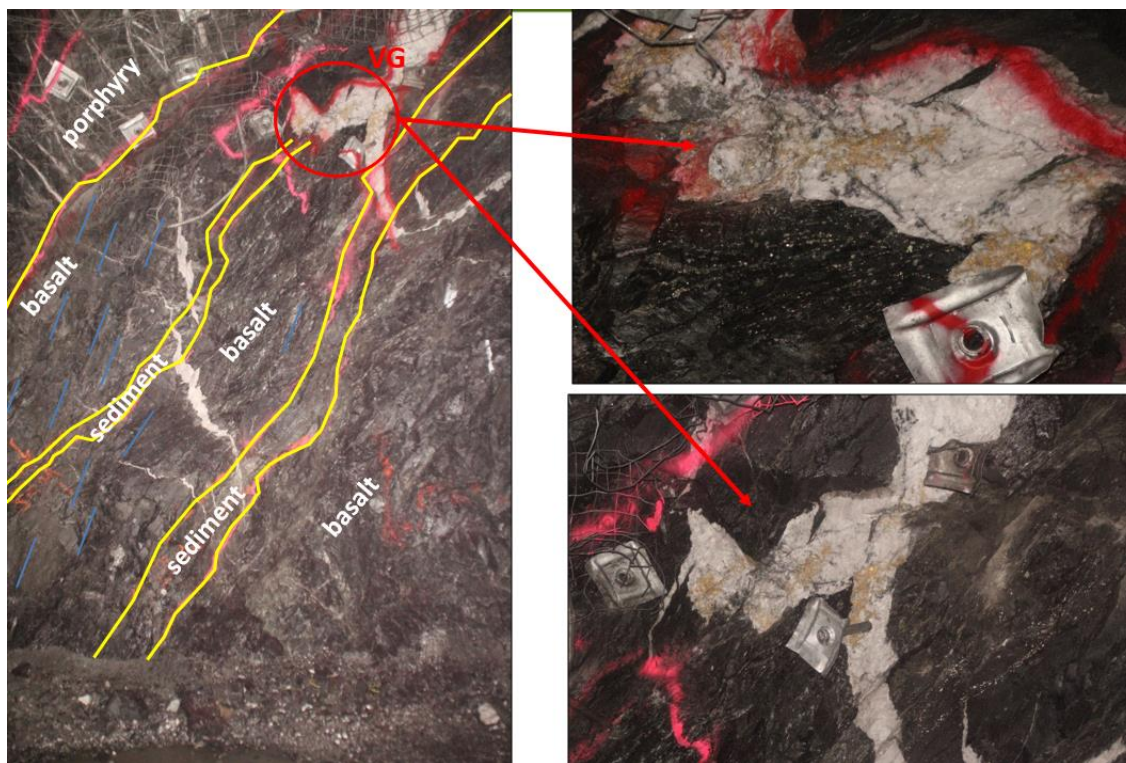


Figure 3. Key intersections for Western flanks (WFN) and A Zone (AZ) from most recent drilling

- WFN-017 – 3.98 g/t over 14.24 metres,
- WFN-023 – 4.36 g/t over 10.57 metres, including 7.53 g/t over 5.00 metres and 4.69 g/t over 7.36 metres
- WFN-029 – 1,017.3 g/t over 2.00 metres including 7,621 g/t over 0.27 metres and 6.09 g/t over 8.65 metres
- WFN-036 – 6.86 g/t over 7.28 metres and 4.34 g/t over 9.86 metres
- AZ13-145 – 4.53 g/t over 4.66 metres
- AZ15-006 – 3.73 g/t over 11.77 metres, including 5.59 g/t over 4.79 metres,
- AZ15-007 – 3.90 g/t over 9.50 metres, including 12.52 g/t over 0.99 metres and 16.33 g/t over 0.86 metres,
- AZ15-013 - 119.37 g/t over 6.4 metres including 1,406 g/t over 0.50 metres
- AZ15-019 – 3.74 g/t over 3.44 metres,
- AZ15-020 – 4.02 g/t over 5.58 metres,
- AZ15-022 – 3.61 g/t over 11.52 metres, including 4.63 g/t over 6.74 metres and 3.77 g/t over 2.36 metres,
- AZ15-025 – 3.60 g/t over 7.49 metres

Source: Company Reports

Figure 4. Photo of A Zone face showing bonanza gold from AZ15 level



Source: Company Reports



Outlook

Changes to Estimates

Figure 5: Changes to Haywood Estimates for RNC Minerals

	New	Old						
	Q4/18E	Q4/18E	Var	Q-Q	Q3/18A	Q2/18A	Q1/18A	Q4/17A
Realized Commodity Prices								
LME Au Price	\$1,229	\$1,229	-	1%	\$1,212	\$1,306	\$1,330	\$1,277
LME Ni Price	\$5.22	\$5.22	-	(13%)	\$6.02	\$6.57	\$6.02	\$5.26
C\$/US\$ FX Rate	\$1.32	\$1.32	-	1%	\$1.31	\$1.29	\$1.26	\$1.27
Shares O/S, millions	441	441	-	-	441	366	359	308
Revenue, C\$M	\$43	\$43	-	(1%)	\$43	\$10	\$6	\$30
Operating Income, C\$M	\$29	\$29	-	-	(\$1)	\$6	(\$0)	(\$68)
EBITDA, C\$M	\$21	\$21	-	140%	\$9	\$9	(\$7)	(\$9)
Earnings, C\$M	\$19	\$19	-	-	(\$8)	\$6	(\$2)	(\$79)
EPS, C\$	\$0.04	\$0.04	-	-	(\$0.02)	\$0.02	(\$0.00)	(\$0.25)
Operating Cash Flow, C\$M	\$15	\$15	-	-	(\$4)	\$0	(\$0)	(\$8)
CFPS, C\$	\$0.03	\$0.03	-	-	(\$0.01)	\$0.00	(\$0.00)	(\$0.03)
Free Cash Flow, C\$M	\$12	\$12	-	-	(\$4)	(\$1)	(\$1)	(\$10)
FCFPS, C\$	\$0.03	\$0.03	-	-	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.03)
Capex, C\$	\$3	\$3	-	758%	\$0	\$1	\$1	\$5
Current Cash, C\$M	\$13	\$13	-	1793%	\$1	\$7	\$20	\$24
Working Capital, C\$M	(\$8)	(\$8)	-	-	(\$27)	(\$34)	(\$23)	(\$29)
Total Debt, C\$M	\$4	\$4	-	(57%)	\$8	\$6	\$23	\$45

	New	Old			
	2018E	2018E	Var	Y-Y	2017A
Realized Commodity Prices					
LME Au Price	\$1,269	\$1,269	-	1%	\$1,258
LME Ni Price	\$5.96	\$5.96	-	26%	\$4.72
C\$/US\$ FX Rate	\$1.30	\$1.30	-	(0%)	\$1.30
Shares O/S, millions	441	441	-	43%	308
Revenue, C\$M	\$103	\$103	-	41%	\$73
Operating Income, C\$M	\$33	\$33	-	-	(\$78)
EBITDA, C\$M	\$32	\$32	-	-	(\$12)
Earnings, C\$M	\$16	\$16	-	-	(\$90)
EPS, C\$	\$0.04	\$0.04	-	-	(\$0.31)
Operating Cash Flow, C\$M	\$11	\$11	-	-	(\$14)
CFPS, C\$	\$0.03	\$0.03	-	-	(\$0.05)
Free Cash Flow, C\$M	\$6	\$6	-	-	(\$20)
FCFPS, C\$	\$0.02	\$0.02	-	-	(\$0.07)
Capex, C\$	\$5	\$5	-	(85%)	\$37
Current Cash, C\$M	\$13	\$13	-	(47%)	\$24
Working Capital, C\$M	(\$8)	(\$8)	-	-	(\$29)
Total Debt, C\$M	\$4	\$4	-	(92%)	\$45

Source: Company Reports, Haywood Securities



Important Information and Legal Disclosures

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I, Pierre Vaillancourt, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

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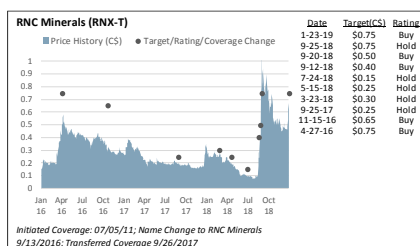
- Haywood Securities, Inc. has reviewed lead projects of Atlantic Gold Corporation (AGB-V), Roxgold Inc. (ROXG-T), RNC Minerals (RNX-T) and a portion of the expenses for this travel may have been reimbursed by the issuer.
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Distribution of Ratings (as of January 23, 2019)

	%	#	IB Clients (TTM)
Buy	74.7%	71	92.0%
Hold	12.6%	12	8.0%
Sell	0.0%	0	0.0%
Tender	2.1%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	10.5%	10	0.0%

Price Chart, Rating and Target Price History (as of January 23, 2019)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
Source: Capital IQ and Haywood Securities

Link to Research Policy: <http://haywood.com/what-we-offer/research/research-policy>

Member of the Canadian Investor Protection Fund





RNC Minerals

(RNX-T)

SECTOR: Mining

STOCK PRICE	C\$0.48
RATING	HOLD
TARGET PRICE	C\$0.75
RISK	Very High

FINANCING FOR \$9M CLOSES

Deal Done, All Cashed Up

OUR TAKE: With C\$9M in cash, RNX is well positioned to pursue drilling and develop the gold resource at Beta Hunt.

KEY HIGHLIGHTS

- ◆ **C\$10M in cash...** RNC announced that it has closed its bought deal of a total of 19.6M shares at a price of C\$0.46 per share for gross proceeds of C\$9M. A total of 6.5M shares (33%) were sold to Eric Sprott's holding company, increasing his holding of the Company to over 47.7M shares, or 10%. There is an over-allotment option to purchase up to an additional 1.956M shares at C\$0.46 per share, for an additional \$900k in gross proceeds.
- ◆ **...With another C\$10-\$15M to come.** In addition to the cash from the financing, the Company holds C\$10-\$15M in gold specimens collected from its Father's Day Vein discovery, which are expected to be sold by the end of April, 2019. There is also a stockpile of lower grade ore containing approximately 6,000 oz of gold, which was delivered to the mill in 3Q18 and 4Q18, before underground mining stopped.
- ◆ **Drill program results expected soon.** This cash will be used to fund the Company's 40km drill program at Beta Hunt (C\$7M). Currently, two drill rigs are turning in the A Zone and one drill rig is in the Western Flanks zone. Drill results on 4,500m from 40 holes are expected by the end of the month. Beyond this upcoming release, the Company is awaiting results from an additional 40 holes.

RECOMMENDED ACTION

We recommend Hold as we await the Company's first drill results following the Father's Day Vein discovery

- ◆ **We reiterate our Hold Rating** and our \$0.75/sh target price. We believe the 2019 drill program has the potential to make a significant difference to the development of the Beta Hunt gold resource. However, given that the drill results are unlikely to match the bonanza grades from the Father's Day Vein discovery, it will be important for management to manage expectations and explain the nature of the deposit and its lower grade resource to investors. This drill program is the Company's first comprehensive exploration effort since acquiring the Beta Hunt mine in 2015, so there is a lot to discover, nevertheless, we recognize that with a market cap of C\$224M, the stock is not cheap, and that with the ounces from the Father's Day Vein discovery already factored into the stock price, we are cautious.

KEY STATISTICS AND METRICS

HAYWOOD ESTIMATES (CAD)

VALUATION

52-Week High/Low	C\$1.18/0.07		2018E	2019E	2020E
YTD Performance	(1%)	Revenue (\$M)	105	123	135
Dividend Yield	nil	EBITDA (\$M)	32	45	53
Shares O/S	465.9M (basic)	EPS (\$)	0.04	0.07	0.09
	510.1M (F/D)	CFPS (\$)	0.03	0.08	0.10
Market Capitalization	\$223.6M	FCFPS (\$)	0.02	0.06	0.08
Cash	\$1M				
Net Debt (Q4/17e)	\$6M				
Enterprise Value	\$175M				
Daily Volume (3 mos.)	4,374,820				
Currency	US\$ unless noted				

Our 12-month target price is based on 1.0x NAV, using the diluted NPV10% of RNX's interest in Dumont and the NPV of Beta Hunt. With a strong cash balance, the Company is in a good position to add value at Beta Hunt.

Important Information and Legal Disclosures

This report is intended for institutional investors and may only be distributed to non-institutional US clients in the following states: Georgia, Hawaii, Iowa, Idaho, Indiana, Kansas, Maine, Michigan, Minnesota, Missouri, Mississippi, New Hampshire, New Mexico, Oklahoma, South Carolina, South Dakota, Virgin Islands, Vermont, Washington, Wisconsin, and Wyoming. Otherwise, this report may only be distributed into those states with an institutional buyer state securities registration exemption.

Analyst Certification

I, Pierre Vaillancourt, hereby certify that the views expressed in this report (which includes the rating assigned to the issuer's shares as well as the analytical substance and tone of the report) accurately reflect my/our personal views about the subject securities and the issuer. No part of my/our compensation was, is, or will be directly or indirectly related to the specific recommendations.

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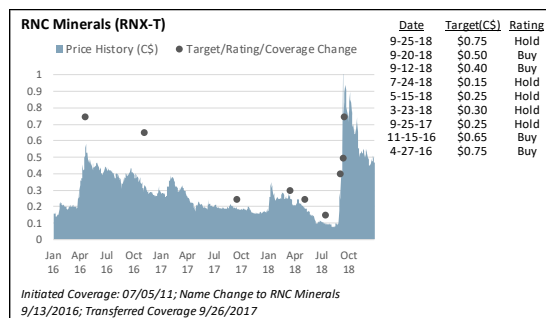
Other material conflict of interest of the research analyst of which the research analyst or Haywood Securities Inc. knows or has reason to know at the time of publication or at the time of public appearance:

- ◆ n/a

Distribution of Ratings (as of January 17, 2019)

	%	#	IB Clients (TTM)
Buy	74.5%	70	92.0%
Hold	12.8%	12	8.0%
Sell	0.0%	0	0.0%
Tender	2.1%	2	0.0%
UR (Buy)	0.0%	0	0.0%
UR (Hold)	0.0%	0	0.0%
UR (Sell)	0.0%	0	0.0%
Dropped (TTM)	10.6%	10	0.0%

Price Chart, Rating and Target Price History (as of January 17, 2019)



B: Buy; H: Hold; S: Sell; T: Tender; UR: Under Review
Source: Capital IQ and Haywood Securities

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