ROYAL NICKEL CORPORATION

(Doing business as RNC Minerals)

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended March 31, 2020 and 2019

(in thousands of Canadian dollars)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is Management's Discussion and Analysis ("**MD&A**") of the financial condition and results of the operations of Royal Nickel Corporation and its subsidiaries ("**RNC**", "**RNC Minerals**", or the "**Corporation**") and constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three months ended March 31, 2020 and 2019. This MD&A should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2020 and 2019, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as applicable to the presentation of interim financial statements including International Accounting Standard ("**IAS**") 34, Interim Financial Reporting, as well as other reports filed on SEDAR. The unaudited condensed interim consolidated financial statements should also be read in conjunction with the audited consolidated financial statements and the related notes for the year ended December 31, 2019, together with the notes thereto which have also been prepared in accordance with IFRS. This MD&A contains certain forward-looking statements and reference should be made to the cautionary language at the end of this MD&A.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Corporation's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors.

Additional information relating to the Corporation, including its Annual Information Form for the most recently completed fiscal year is available on SEDAR at www.sedar.com. The Corporation is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the Toronto Stock Exchange under the symbol "**RNX**".

Certain non-IFRS measures are included in this MD&A. The Corporation believes that these measures provide investors an improved ability to evaluate the underlying performance of the Corporation. The non-IFRS measure should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Dollar amounts are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 6, 2020 unless otherwise indicated.

The technical and scientific information contained in this MD&A related to (i) Beta Hunt and HGO has been reviewed and approved by Steve Devlin, Vice-President, Exploration & Growth, Salt Lake Mining Pty Ltd, a 100% owned subsidiary of RNC, and a qualified person for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, and (ii) related to Dumont has been reviewed and approved by Alger St-Jean, Executive Vice President, Exploration & Resource Development, Dumont Nickel, and Johnna Muinonen, President, Dumont Nickel, both are qualified persons for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

1. DESCRIPTION OF BUSINESS

RNC is a multi-asset mineral resource company. The Corporation's main assets are its 100% interests in the Beta Hunt Mine ("**Beta Hunt**") and the Higginsville Gold Operations ("**HGO**"), both located in Western Australia. Beta Hunt is held through Salt Lake Mining Pty Ltd ("**SLM**"), a subsidiary of RNC. Beta Hunt is a gold producing operation that has delivered a number of high-grade coarse gold discoveries including the Father's Day Vein discovery ("**Father's Day Vein**") announced in September 2018.

RNC acquired the HGO operations on June 10, 2019, which comprised a 1.4 million tonnes per annum ("**Mtpa**") gold treatment plant, a large historical resource inventory and a substantial portfolio of gold tenements, including the Baloo open pit mine that was brought into production in August 2019. RNC's key focus continues to be the integration of the two operations and realizing the operational synergies to be gained from combining the operations.

RNC also owns a 28% interest in the Magneto Investments Limited Partnership ("**Magneto**" or "**Dumont JV**"), which owns the Dumont Nickel-Cobalt Project ("**Dumont**"). Dumont is one of the world's premier battery metal projects, containing one of the world's largest undeveloped reserves of nickel and cobalt. As one of the only large-scale fully permitted, shovel-ready nickel-cobalt projects globally, Dumont is ideally positioned to deliver the nickel and cobalt required to meet the limited supply growth and strong demand growth, including from the electric vehicle ("**EV**") and energy storage market in the coming decade. It is strategically located in the established Abitibi mining camp, 25 km northwest of Amos, Quebec.

The Corporation also has a 24% equity interest in Orford Mining Corporation ("**Orford**"), which holds the Qiqavik and West Raglan exploration projects (gold, nickel) in northern Quebec. The Qiqavik Project hosts several new high-grade gold discoveries along a mineralized trend in excess of 40 km long.

Further information regarding each of these projects, and the related developments in respect of each, is provided under section 3, Operational Overview, Project Updates and New Developments.

2. EXECUTIVE SUMMARY

A condensed summary of the Corporation's performance for the three months ended March 31, 2020 and 2019 is shown below.

(in thousands of dollars except per share amounts)

For the three months ended March 31,	**2020**	2019
Revenue	**$54,282**	$10,863
Production and processing costs	**27,286**	6,498
Earnings (loss) before income taxes	**884**	(1,577)
Net earnings (loss)	**539**	(1,577)
Net earnings (loss) per share - basic and diluted	**0.00**	(0.00)
Adjusted EBITDA [1,2]	**13,581**	(166)
Adjusted EBITDA per share - basic [1,2]	**0.02**	(0.00)
Adjusted earnings (loss) [1]	**12,600**	(373)
Adjusted earnings (loss) per share - basic [1]	**0.02**	(0.00)
Cash flow provided by (used in) operating activities	**11,476**	(3,759)
Cash investment in property, plant and equipment and mineral property interests	**(7,702)**	(7,743)

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 14 of this MD&A.
2. Earnings before interest, taxes, depreciation and amortization ("**EBITDA**").

For the three months ended March 31,	**2020**	2019
Gold Operations (Consolidated)		
Tonnes milled (000s)	**314**	50
Recoveries	**93%**	92%
Gold milled, grade (g/t Au)	**2.35**	3.20
Gold produced (ounces)	**24,816**	4,778
Gold sold (ounces)	**24,626**	6,375
Average realized price (US $/oz sold)	**1,493**	1,211
Cash operating costs (US $/oz sold)[1]	**965**	898
All-in sustaining cost (AISC) (US $/oz sold)[1]	**1,101**	1,030
Gold (Beta Hunt Mine)[1]		
Tonnes milled (000s)	**186**	50
Gold milled, grade (g/t Au)	**2.58**	3.20
Gold produced(ounces)	**17,170**	4,778
Gold sold (ounces)	**17,078**	6,375
Cash operating cost (US $/oz sold)[1]	**944**	898
Gold (HGO Mine)		
Tonnes milled (000s)	**128**	-
Gold milled grade (g/t Au)	**2.00**	-
Gold produced (ounces)	**7,646**	-
Gold sold (ounces)	**7,548**	-
Cash operating cost (US $/oz sold)[1]	**1,013**	-

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 14 of this MD&A.

Recent Highlights

- First quarter 2020 consolidated gold production of 24,816 oz – 2020 gold production guidance of 90,000 to 95,000 oz is maintained (assuming no significant interruption in operations as a result of the COVID-19 virus).
- First quarter 2020 consolidated all-in-sustaining-costs ("**AISC**")[1] of US$1,101 per oz. was inline with the 2020 guided range of US$1,050-$1,200 per oz. The Corporation continues to target AISC costs of approximately US $1,000 per oz by the end of 2020.
- Adjusted earnings[1] of $12.6 million, or $0.02 per share for the first quarter of 2020, down $1.1 million from $13.7 million in the fourth quarter of 2019.
- Adjusted EBITDA[1] was $13.6 million or $0.02 per share for the first quarter of 2020, down $0.8 million from $14.4 million in the fourth quarter of 2019.
- Strengthened Cash Position and Balance Sheet: RNC ended the first quarter of 2020 with a strong cash position of $38.4 million, and working capital of $30.7 million, improvements of $3.8 million and $4.2 million respectively from December 31, 2019. The first quarter cash balance is net of payments into gold hedge agreements totalling $5.3 million.
- Growing HGO Open Pit Pipeline: Recent drilling suggests the potential for mine life extensions of both the Baloo and Fairplay North open pits.
- Continued HGO Exploration Success following renegotiation of the Morgan Stanley Royalty: Recent drilling combined with a review of the historical exploration database continues to identify a number of areas at HGO for further exploration, including the high grade Aquarius Project ("**Aquarius**", formerly Corona Project), a newly interpreted 5 km structure north of the Trident Project as well as potential open pit expansions to both the Mousehollow and Hidden Secret projects, as previously announced on January 23, January 29 and February 27, 2020.
- Normal Course Issuer Bid Announced: On April 15, 2020 RNC announced that it had received the approval of the Toronto Stock Exchange (the "**TSX**") for a normal course issuer bid to purchase up to 30,415,198 of

its issued and outstanding common shares (the "**Bid**"). Any purchases made under the Bid would, among other factors, reflect RNC's belief that its common shares trade at a significant discount to their underlying value.

Despite ongoing challenges associated with the Australian bushfires as well as subsequent heavy rainfall and COVID-19, RNC reported a strong start to 2020, with first quarter production totalling 24,816 oz. AISC of US$1,101 were reported, a US$30 improvement over the fourth quarter of 2019, despite increased costs associated with the bushfires, inclement weather as well as the double-shifting of mining operations in excess of milling rates in order to continue to build stockpiles from Beta Hunt and Higginsville ahead of the mill (now totalling 106kt). While the Corporation does not currently anticipate any significant impact on the Corporation's operations, including with respect to suppliers, service providers and employees due to the ongoing global COVID-19 pandemic, management monitors developments in order to be in a position to take appropriate actions as needed. Management also elected to increase ROM stockpiles levels should disruptions to the mine site or supply chain occur in the future. This strategy proved prudent ahead of the Australian bushfires affecting both the fourth quarter of 2019 and the first quarter of 2020.

Financially, the strong operational start to the year generated adjusted EBITDA[1] of $13.6 million, or $0.02 per share. The Corporation continued to deliver into its gold hedge program associated with the acquisition of the Higginsville Operations in June 2019, with a $5.3 million cash loss on settlement of derivatives. As of March 31, 2020, 5,500 oz remained in the hedge program which are scheduled to be delivered during the second quarter of 2020. Net of the hedge payments, RNC reported an improved cash balance of $38.4 million as of March 31, 2020, an increase of $3.8 million compared to December 31, 2019. Working capital was $30.7 million as of March 31, 2020, an improvement of $4.2 million compared to working capital of $26.5 million for the period ended December 31, 2019.

Following the strong start to the year, RNC is maintaining its consolidated production and cost guidance for its Australian operations (Beta Hunt and HGO) of 90,000 to 95,000 oz of gold at an average AISC[1] of US$1,050 to US$1,200 per oz. RNC continues to target AISC costs of approximately US$1,000 per oz by the end of 2020.

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 14 of this MD&A.

A Growing HGO Project Pipeline and Exploration

During the first quarter, resource definition drilling of the current Baloo and Fairplay North open pit operations continued to extend the anticipated mine lives of both pits. On January 23, 2020, RNC announced that Baloo Stage 1 mining has been extended to June 2020. Stage 2 approvals were subsequently announced on January 29, 2020, which is expected to extend the open pit mine life through to January 2021. Development and mining of the Fairplay North open pit continued with Stage 1 expected to extend through July 2020, followed by Stage 2 through late 2020.

Following the renegotiation of the Morgan Stanley Royalty announced on December 19, 2019, RNC continued to aggressively explore the Higginsville property in order to grow the pipeline of potential open pit and underground projects.

On January 29, 2020, RNC announced that a high-density gravity survey had identified a newly interpreted structure extending over 5 km in length and 5 km north of the previously mined high grade underground Trident gold deposit. Trident was mined by the previous owners, Alacer Gold, producing over 1 million oz at 11 g/t. The new structure is considered to have high potential for mineralization and will be part of HGO's 2020 exploration program.

On February 27, 2020, RNC announced the initial results from the 2020 exploration drilling program. Drilling at the Hidden Secret and Mousehollow Projects returned strong results, driving the expansion of proposed open pit dimensions at both projects. As part of the Corporation's metallurgical test program for the Hidden Secret and Mousehollow projects a number of surface samples were collected one of which contained visible gold in the outcropping quartz vein. A review of records for the Hidden Secret area has also revealed the historic 'Hidden Secret North' mine where last known mining occurred in 1915. Multiple historic shafts in the area extend to depths up to 120 metres, with historic records showing grades as high as 210 g/t over approximately 0.9 metres. The potential below these workings is yet to be tested and could provide an opportunity for additional high grade mineralization.

Additionally, the ongoing review of the extensive historical database at HGO continued to return significant targets for future exploration including the high grade Aquarius Project located just 2.5 km south of the HGO plant. (See RNC news release dated February 27, 2020). A discussion of the high grade historical results at Aquarius is included below in section 3 of this MD&A.

3. OPERATIONAL OVERVIEW, PROJECT UPDATES AND NEW DEVELOPMENTS

Higginsville Gold Operations Overview

The HGO operations are located along the highly prospective Norseman-Wiluna greenstone belt that hosts a number of world class mining centres, including Kalgoorlie (+60.0M gold oz produced), St. Ives (+14.0M gold oz produced) and Norseman (6.0M gold oz produced). The HGO tenement package is situated close to St. Ives and Norseman and totals approximately 1,800 square kilometres (combined mining and exploration tenements). The area has a strong history of gold mining commencing in the late 1800s, more recently by Avoca Mining and Westgold. The HGO processing treatment plant was constructed in 2009 to treat the underground Trident deposit (1.0M gold oz produced), followed by a wide range of open pits in recent years, including toll treatment of third-party material.

The acquisition and integration of HGO and its 1.4 Mtpa gold mill represents a key component of RNC's strategy to diversify production across two assets, compared to previously being a single mine gold producer reliant on third-party toll milling and paying a premium for processing. With improved gold market conditions leading to increased mining activity in the Kambalda-Higginsville region, many toll milling facilities are unable to take additional mineralized material, or will only do so at materially higher costs. The acquisition of the HGO milling facilities mitigates the risk regarding reliance on toll milling and the accompanying significant cost increases associated with toll milling in the area.

The HGO mill is fed by the Beta Hunt mine and HGO open pits which provide mill feed ratios of approximately 50:50, Beta Hunt and HGO, over the long term and allows the Corporation to utilize the 1.4 Mtpa plant facility at 100% of its capacity.

HGO includes a 367,000 oz historical reserve (5,945 kt @ 1.9 g/t Au) within a 1.2 million oz historical measured and indicated gold resource (18,790 kt @ 2.0 g/t Au), along with a further 0.7 million oz historical inferred resource (10,634 kt @ 2.0 g/t Au), all located on a 1,800 square kilometre land position in the Kalgoorlie gold region[1] .

[1]The historical reserve information above is extracted from the report entitled '2018 Annual Update of Mineral Resources & Ore Reserves' dated October 2, 2018 and is available to view on the ASX (www.asx.com.au). Mineral resources are quoted inclusive of ore reserves. RNC confirms that the form and context in which the competent person's findings are presented have not been materially modified from the original market announcement. A qualified person has not done sufficient work on behalf of RNC to classify the historical estimate noted as current mineral resources or mineral reserves and RNC is not treating the historical estimates as current mineral resources or mineral reserves.

Higginsville Royalty Renegotiation

On December 19, 2019, the Corporation announced, effective January 1, 2020, a restructuring of the royalty held by Morgan Stanley Capital Group Inc. ("**Morgan Stanley**") over a number of tenements at HGO located in Western Australia. This revised royalty structure has allowed for a new strategic approach to many of the previously uneconomical historic resources throughout the HGO tenements. Resources previously labelled marginal or uneconomical are now very real mining and exploration targets and the renegotiation has revitalized the entire area covered by the previous royalty.

As previously announced, prior to these amendments the royalty on these tenements was comprised of a 1.75% Net Smelter Return ("**NSR**") plus a 50.0% participation payment on the difference between realized gold price and A$1,340 per oz (the "**legacy rate**").

The restructured royalty provides for a flat 2.0% NSR after payment of an adjusted legacy rate on the first 10,000 gold oz sold per annum.

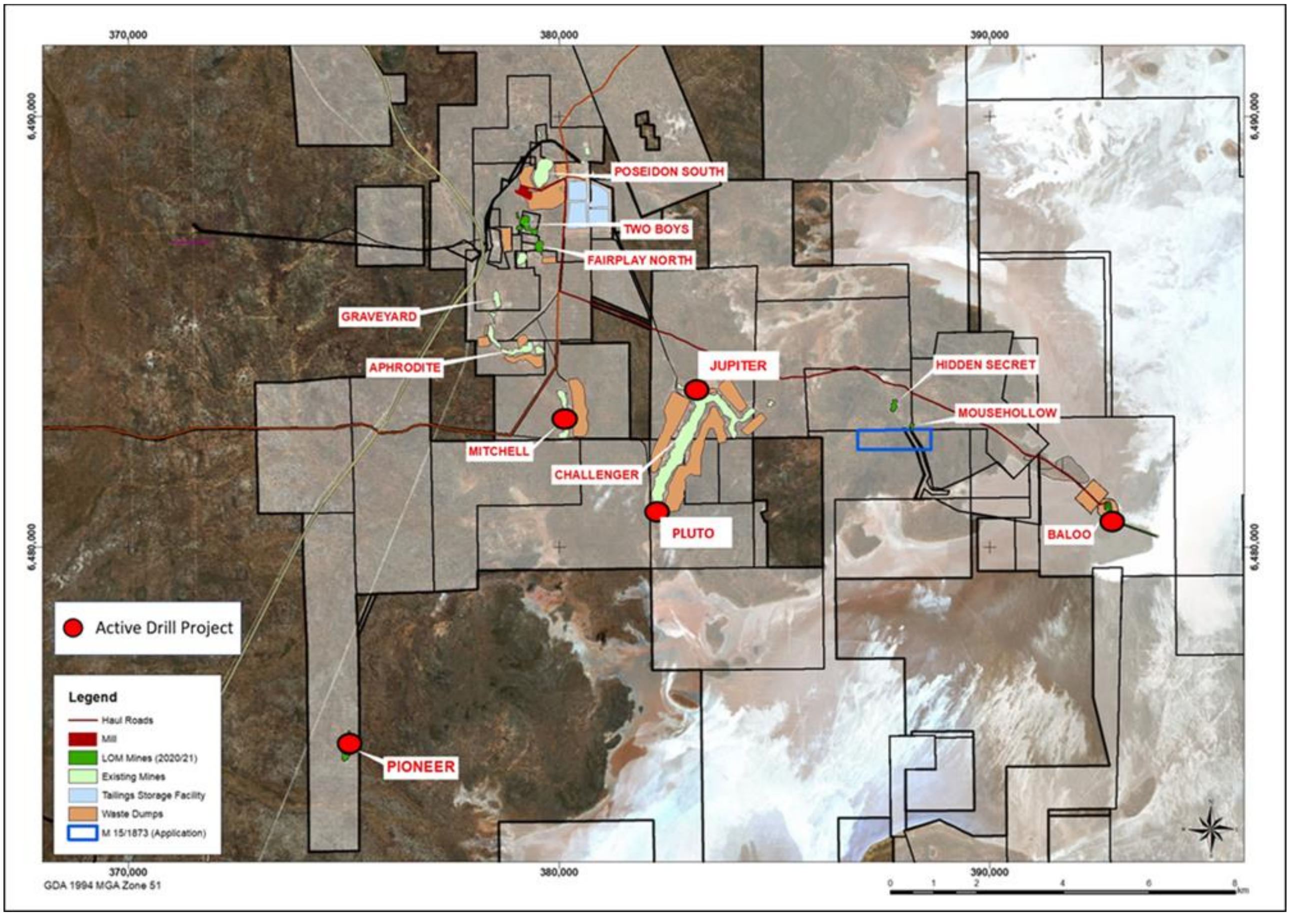
The details of the restructured royalty are as follows:

- An adjusted legacy royalty on the first 2,500 oz sold per quarter comprised of a 1.75% NSR plus a reduced 27.5% participation payment (reduced from 50.0% previously) on the difference between realized gold price and A$1,340 per oz. This legacy rate will apply to a cumulative total of 110,000 oz.
- A flat 2.0% NSR on oz sold in excess of 2,500 oz per quarter, which will become payable after the first 37,500 oz are sold from HGO production in excess of the first 2,500 oz per quarter.

Higginsville Exploration Update

Figure 1 below shows a number of areas where RNC is either actively advancing or evaluating as high-priority exploration targets at HGO. In addition to ongoing exploration at Baloo, where mining has been underway since the HGO acquisition last June, and Fairplay North where mining began in December 2019, a number of tenements covered under the renegotiated Morgan Stanley royalty are now considered high priority. These areas include Aquarius, Hidden Secret, Mousehollow, Pioneer, the Two Boys extension, and the Paleochannel extension.

Figure 1: Plan view of active HGO mines and exploration projects



Baloo

During the third quarter of 2019, the Corporation announced that mining had commenced on Baloo Stage 1 open pit at HGO which was expected to continue until December 2019. Mining at Baloo Stage 1 is forecast to continue to the third quarter of 2020 and Stage 2 which was initially forecasted to extend until June 2020 is now expected to be extended to early 2021. As previously outlined, recent drilling has raised the potential to extend the Baloo open pit beyond these dates.

On January 23, 2020, the Corporation announced that 20 resource definition holes totalling 492 metres and 19 exploration holes totalling 1,897 metres at Baloo had been completed since the acquisition of HGO. Drilling focused on the following target areas with the aim of increasing and upgrading the existing resource:

- North Baloo
- Eastern Footwall mineralization
- Down-dip Infill of the Baloo mineralization

Drilling results have either confirmed or expanded upon modelled mineralization. Some of the highlights include (downhole intervals)[3]:

<u>Baloo North</u>[1]

- BLOR0003 – 8.7 g/t over 3.0 m from 63.0 m[2]
- BLOR0025 – 4.28 g/t over 2.0 m, from 50.0 m

<u>Eastern Footwall drilling</u>[3]

- BLOR0033 – 4.8 g/t over 3.0 m, from 7.0 m
- BLOR0034 – 2.6 g/t over 4.0 m, from 6.0 m

<u>Down-Dip Infill</u>[3]

- BLOR0009 – 2.5 g/t over 18.5 m, from 14.0 m
- BLOR0006 – 3.7 g/t over 7.3 m, from 35.0 m
- BLOR0010 – 2.4 g/t over 10.6 m, from 43.0 m

1.True thickness cannot be estimated with available information.
2.Previously reported in RNC news release dated October 15, 2019.
3.Estimated true thickness.

Fairplay North

Located just 1 km from the mill, the Fairplay North open pit commenced mining in the fourth quarter of 2019 and is being mined concurrently with Baloo to ensure optimal feed blend to the HGO mill. Mining is progressing ahead of schedule which is contributing to a significant level of Run-of-Mine ("**ROM**") stocks as part of the Corporation's strategy to build stockpiles ahead of any potential future operational disruptions due to COVID-19. The Fairplay North pit is to be mined in two stages to optimize mining operations. With Stage 1 underway, expected completion of Stage 2 is by the end of the third quarter 2020, however recent drilling has raised the potential for this to be extended.

On January 23, 2020, the Corporation announced it had completed 26 resource definition RC holes totalling 1,721 metres at Fairplay North. Drilling focused on upgrading the existing historical resource within and on the margins of an optimized pit shell.

Assay results have extended the near surface supergene mineralization.

Drilling highlights are summarized below[1]:

- FPNGC_1305-078 – 16.5 g/t over 16.0 m from 24.0 m, including 59.8 g/t over 4.0 m
- FPNGC_1305-083 – 5.8 g/t over 13.0 m from 25.0 m
- FPNGC_1305-102 – 3.2 g/t over 14.0 m from 53.0 m
- FPNGC_1305-097 – 2.3 g/t over 9.0 m from 68.0 m
- FPNGC_1305-087 – 3.1 g/t over 8.0 m from 52.0 m

1. Drillhole intervals are estimated true widths.

Aquarius Project

As announced February 27, 2020, RNC's ongoing review of HGO historical mineral resources and drill results has confirmed the potential of the Aquarius deposit as a future high-grade open pit and/or underground operation. Highlights of historical drill results include[1,2]

- VIND047 – 657.9 g/t over 2.3 m from 181.1 m
- VIND049 – 225.2 g/t over 1.9 m from 201.5 m
- VIND076 – 60.9 g/t over 2.3 m from 197.2 m
- VIND092 – 30.6 g/t over 2.05 m from 165.3 m, including,147.0 g/t over 0.6 m

1. All drilling intervals are down-hole lengths. Estimated true widths are expected to range from 60 to 70% of the downhole lengths.
2. Intersections previously reported by Alacer Gold Corp. (news release, May 7, 2012 and August 1, 2012).

The Aquarius project is a high priority target for RNC's exploration program during 2020.

Hidden Secret and Mousehollow

As announced on February 27, 2020, RNC drilling has extended mineralization at the Hidden Secret (HDS) and Mousehollow (MOH) projects, which now form part of RNC's near-term mine plan. Additionally, visible gold has been discovered in a surface sample taken at the Hidden Secret project.

Intersection highlights from RNC's drill program include[1]

- HDSR0136 – 15.1 g/t over 4.0 m from 24.0 m, including 47.8 g/t over 1.0 m
- HDSR085 – 24.8 g/t over 4.0 m from 17.0 m, including 92.6 g/t over 1.0 m
- MOHR0055 – 26.1 g/t over 3.0 m from 22.0 m
- MOHR0075 – 3.3 g/t over 19.0 m from 0 m

1. Estimated true widths.

Beta Hunt Mine Overview

The Corporation owns 100% of the Beta Hunt Mine, a producing gold mine located in the prolific Kambalda mining district of Western Australia. Beta Hunt is a mechanized underground mine that has been in operation since 1974 as a producing nickel mine, with gold production not commencing until 2015. The mine is now primarily focused on gold production, with a smaller nickel operation producing from adjacent discrete mineralized zones.

Beta Hunt's Maiden Gold Mineral Reserve totals 306,000 oz (3.45 Mt at an average grade of 2.8 g/t Au) at its Beta Hunt mine. The Gold Mineral Reserve forms the basis for Beta Hunt's mine plan, which schedules base-load feed to the Corporation's HGO treatment plant. The Maiden Gold Mineral Reserve remains open for potential additions along strike and at depth from both the existing Gold Mineral Resource (underpinning the Mineral Reserve) and from exploration targets that will be drill-tested. On February 6, 2020, the Corporation filed a new technical report for the Beta Hunt Mine and HGO entitled "*Technical Report Western Australia Operations – Eastern Goldfields: Beta Hunt Mine (Kambalda) and Higginsville Gold Operations (Higginsville)*". This technical report can be found on RNC's website at www.rncminerals.com and at www.sedar.com

The Gold Mineral Reserve for Beta Hunt is based on the previously announced A Zone and Western Flanks Mineral Resource, which contains a total Measured and Indicated Gold Mineral Resource of 10.1 million tonnes grading 2.9 g/t Au for 944,000 contained oz. The Beta Hunt Gold Mineral Resource was announced by RNC on August 13, 2019. The Measured and Indicated Mineral Resources are inclusive of Mineral Reserves.

The high-grade coarse gold discoveries associated with the shear zone / Lunnon Sediment intersection horizon, such as the Father's Day Vein are not represented in the resource model due to the extreme nuggety nature of this type of bonanza mineralization. While the Corporation's understanding of where these occurrences are found continues to improve, along with the advancing geological model, at present these occurrences are best considered as a potential periodic significant bonus to mine production.

Beta Hunt Mine Gold Mineral Resources

Resource[1,2,3,4,5]	**Measured**			**Indicated**			**Measured & Indicated**			**Inferred**		
	Kt	g/t	Koz	Kt	g/t	Koz	Kt	g/t	Koz	Kt	g/t	Koz
Western Flanks[6]	447	2.8	40	7,001	3.0	670	7,448	3.0	710	2,481	3.1	250
A Zone[7]	254	2.7	22	2,403	2.7	212	2,657	2.7	234	1,628	3.0	156
Total	701	2.8	62	9,404	2.9	882	10,104	2.9	944	4,109	3.1	406

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 Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce Mineral Reserves.

3.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.
4.Gold Mineral Resources are reported using a 1.6 g/t Au cut-off grade.
5.Mineral Resources described here are based on information compiled by Paul Ellison, Senior Geologist for SLM. Paul Ellison is an employee of SLM and is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM,).
6.Mineral Resource Estimate as of June 26, 2019.
7.Mineral Resource Estimate as of August 9, 2019.

Beta Hunt Mine Gold Mineral Reserve as at November 01, 2019[1,2,3,4,5]

Mining Area	Proven			Probable			Total		
	Tonnes kt	Grade g/t	Ounces Koz	Tonnes Kt	Grade g/t	Ounce koz	Tonnes kt	Grade g/t	Ounces koz
Western Flanks	170	2.7	15	2,900	2.9	260	3,070	2.9	275
A Zone	81	2.9	8	300	2.4	23	381	2.5	31
Total	251	**2.8**	23	3,200	**2.8**	283	3,450	**2.8**	**306**

1.The Mineral Reserve is reported at a 2.0 g/t cut-off grade.
2.Key assumptions used in the economic evaluation include:
- a metal price of US$1,400 per oz gold and an exchange rate of 0.69 US$/A$.
- Metallurgical recovery of 94%.
- Operating Mining, Processing and G&A costs of A$105.35/t (A$, excluding capital).

3.The Mineral Reserve is depleted for all mining to November 1, 2019.
4.The tonnes and grades are stated to a number of significant digits reflecting the confidence of the estimate. Since each number is rounded individually, the table may show apparent inconsistencies between the sum of rounded components and the corresponding rounded total.
5.Rounding has been revised following publication of the reserve statement in Table 2 of RNC's December 23, 2019 news release. No change to Mineral Reserves.

The Beta Hunt Gold Mineral Reserve is reported at a 2.0 g/t cut-off grade and is based on a gold price of US$1,400 per oz as well as current mining, processing, administration and royalty costs. Mining is based on a top-down, sub-level open stoping method.

As previously outlined, high-grade coarse style gold occurrences associated with the Shear Zone / Lunnon Sediment intersection horizon are not accounted for in the Gold Mineral Reserve. These occurrences are best considered as a potential periodic bonus to mine production.

Beta Hunt Mine Update

During the first quarter of 2020, 186,000 tonnes of Beta Hunt material was milled at a grade of 2.58 g/t for production of 17,170 oz of gold.

Beta Hunt production is mainly focused on the Western Flanks and A Zone mining areas. A number of stoping areas have been developed within the Western Flanks that access some of the wider Beta Hunt stoping blocks (up to 20 metres wide). Mining rates at Beta Hunt are currently 50,000 to 55,000 ore tonnes per month (up from 40,000 to 50,000 ore tonnes per month in 2019). This rate is expected to continue as part of the Beta Hunt expansion plan.

Dumont Nickel-Cobalt Project Overview

Dumont remains one of the world's premier nickel and cobalt projects. Dumont contains one of the world's largest undeveloped reserves of nickel and cobalt. As one of the only large-scale fully permitted, shovel-ready nickel-cobalt projects globally, Dumont is ideally positioned to deliver the nickel and cobalt required to meet the massive demand growth expected from the stainless steel markets, the electric vehicle and energy storage markets in the coming decade.

RNC has a 27.8% interest in Dumont and manages the project on behalf of the Dumont JV.

A technical report ("**Feasibility Study**") was filed under RNC's profile on SEDAR on July 11, 2019 and updated on December 19, 2019.

The Feasibility Study highlights are listed below:

Large scale, low cost, long-life project[1]:

- Initial nickel production in concentrate of 33 ktpa ramping up to 50 ktpa in Phase 2 expansion – production of approximately 1.2 million tonnes (2.6 billion lbs) of nickel in concentrate, over a 30-year life with an initial capital expenditure of US$1.0 billion.
- Phase 1 C1 cash costs[2] of US$2.98/lb (US$6,570/t Ni). Life-of-mine C1 cash costs[2] of US$3.22/lb (US$7,100/t Ni) and AISC of US$3.80/lb (US$8,380/t Ni) of payable nickel (low 2nd quartile of cash cost curve).

Significant earnings and free cash flow generation support strong project economics:

- US$920.0 million after-tax NPV of 8.0% and 15.4% after-tax internal rate of return ("**IRR**").
- Estimated annual EBITDA ramping up from US$303.0 million in Phase 1 to US$425.0 million in Phase 2 and averaging of US$340.0 million over the life of project. Free cash flow averages US$201.0 million annually over the 30-year project life.

Top tier mining asset in excellent jurisdiction[3]:

- 2nd largest nickel reserve in the world of 2.8 million tonnes (6.1 billion lbs) contained nickel and 9th largest cobalt reserve with 110 thousand tonnes (243 million lbs) contained cobalt.
- Once in production, a top 5 nickel sulphide operation globally, a top 3 Canadian base metal asset, and one of the largest battery metal development projects globally.
- Fully permitted, construction ready project located in Abitibi region in Quebec – one of the world's leading mining jurisdictions.
- Impacts and Benefits Agreement successfully negotiated with the local First Nation.

1. Based on price and exchange rate assumptions contained in "Key Assumptions" table found in the Economic Sensitivities section of the feasibility study. NPV and IRR calculated from assumed start of construction and based on 2019 H1 real costs. Additionally, section 22.5 Sensitivity Analysis of the Feasibility Study provides sensitivity of project NPV and IRR to variation in key assumptions, including Ni price among other factors.
2. C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits.
3. Reserve comparison data sourced from RNC reports, Wood Mackenzie and S&P Global Market Intelligence.

With the completion of this positive feasibility study, RNC, along with its partner Waterton, is well positioned to accelerate discussions with potential partners to advance the Dumont project towards a construction decision, depending on market conditions. In addition, within the Magneto JV, RNC is moving forward to complete the refurbishment of the Dasserat Dam as part of the Canadian Federal Government permitting requirements for the Dumont Project.

Orford Mining Corporation

RNC holds a 24% equity interest in Orford. Orford owns the Qiqavik Gold and West Raglan Nickel projects in Northern Quebec and recently added two claim blocks along the Casa Berardi/Joutel Structures of the Abitibi region in Quebec. Orford is a TSX Venture listed company and additional information is available under its profile on SEDAR.

4. OUTLOOK

The outlook and financial targets only relate to fiscal 2020. This outlook includes forward-looking information about the Corporation's operations and financial expectations, and is based on management's expectations and outlook as of the date of this MD&A. This outlook, including expected results and targets, is subject to various risks, uncertainties and assumptions, which may impact future performance and our achievement of the results and targets discussed in this section. The Corporation may update the outlook depending on changes in metal prices and other factors.

RNC 2020 Guidance

On January 23, 2020, the Corporation announced consolidated production guidance of between 90,000 to 95,000 oz of gold at an average AISC of US$1,050 to US$1,200 per oz in respect of its Australian operations (Beta Hunt and HGO).

Reference is made to the Non-IFRS Measure section 14 of this MD&A. It is important to note that the production and cost guidance does not include contributions from any potential high-grade coarse gold occurrences encountered from time to time at the Beta Hunt Mine. Based on management's current interpretation of the Beta Hunt shear zone / Lunnon Sediment intersection horizons, further coarse gold is expected to be produced from mining operations over the course of 2020, representing potential upside to the 2020 production and cost guidance estimates.

Consolidated HGO and Beta Hunt exploration expenditures for the full year 2020 are targeted to be from $8.6 million to $9.0 million. Exploration expenditures are expected to prioritize areas at Higginsville given the recent renegotiation of the Morgan Stanley royalty as previously discussed.

The above guidance assumes no significant disruption in operations as a result of the COVID 19 virus.

5. FINANCIAL RESULTS OF OPERATIONS

(in thousands of dollars except per share amounts)

For the three months ended March 31,	**2020**	2019	Change
Revenue	**$54,282**	$10,863	$43,419
Operating earnings (loss)	**15,603**	(15)	15,618
Other expenses, net	**14,719**	1,562	13,157
Earnings (loss) before income tax	**884**	(1,577)	2,461
Net earnings (loss)	**539**	(1,577)	2,116
Net earnings (loss) per share - basic and diluted	**$0.00**	$(0.00)	$0.00

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of this MD&A.

Three months ended March 31, 2020, compared with three months ended March 31, 2019

For the three months ended March 31, 2020, revenues increased by $43.4 million compared to the same period 2019. HGO contributed $16.3 million and SLM contributed an additional $38.0 million for the three months ended March 31, 2020 compared to the same period 2019 where SLM contributed $10.8 million. Operating earnings for the three months ended March 31, 2020 improved by $15.6 million compared to the same three-month period 2019. The operating earnings change was primarily due to the acquisition of HGO, higher realized market prices for gold and the Corporation's change in focus from exploration during the three months ended March 31, 2019 to an increased mining and milling activity for the same period ending March 31, 2020. Overall, other net expenses, increased by $13.2 million in the first quarter of 2020 compared with 2019 which was partially due to the loss on derivatives of $5.9 million and a foreign exchange loss of $7.7 million. Overall, net earnings improved by $2.1 million for the three months ended March 31, 2020 compared to the same period 2019.

Summary of Quarterly Results

(in thousands of dollars)	2020	2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenues	$54,282	$56,832	$43,092	$17,249	$10,863	$32,076	$43,397	$31,872
Earnings (loss)	$539	$10,465	($1,378)	($14,452)	($1,577)	$12,794	($7,510)	($1,027)
Net earnings (loss) per share - basic and diluted	$0.00	$0.02	($0.00)	($0.03)	($0.00)	$0.03	($0.02)	($0.00)

Revenues for the first quarter of 2020 increased in comparison to the first quarter of 2019 primarily due to the strong performance of HGO and Beta Hunt which contributed $16.3 million and $38.0 million respectively. The Corporation reported earnings of $0.5 million for the first quarter of 2020, an increase of $2.1 million compared to the first quarter of 2019.

Quarterly results will vary in accordance with the Corporation’s exploration, development, acquisition and financing activities. Historically, exploration and evaluation expenses, share-based compensation expenses, changes in the fair value of derivatives, foreign exchange variations and mineral property additions had the most significant impact on the Corporation’s quarterly results, followed by general and administrative expenses and royalty expenses. Changes in the fair value of derivatives are recorded in the consolidated statements of comprehensive earnings (loss) and can reasonably be expected to affect the Corporation’s future quarterly results. Fluctuations in the Canadian dollar, which is the Corporation’s functional currency, against the US dollar and Australian dollar will also continue to affect the Corporation’s quarterly results as a result of its cash and cash equivalents and liabilities denominated in US or Australian dollars as well as its revenue being denominated in US or Australian dollars.

6. LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash

(in thousands of dollars)		
For the three months ended March 31,	**2020**	2019
Cash provided by (used in) operations prior to changes in working capital	**$12,598**	$(3,375)
Changes in non-cash working capital	**(1,122)**	(384)
Cash provided by (used in) operating activities	**11,476**	(3,759)
Cash used in investing activities	**(7,702)**	(7,743)
Cash (used in) provided by financing activities	**(139)**	10,912
Effect of exchange rate changes on cash and cash equivalents	**116**	2
Change in cash and cash equivalents	**$3,751**	$(588)

Operating Activities

For the three months ended March 31, 2020, cash provided by operating activities, prior to changes in non-cash working capital, was $12.6 million compared to cash used of $3.4 million for the same period in 2019, representing an increase of $16.0 million. Working capital changes used cash of $1.1 million during the three months ended March 31, 2020 compared with cash used of $0.4 million for the same period in 2019, a $0.7 million change which primarily relates to movements in accounts payable and accrued liabilities of $3.3 million offset by a movement in inventories of $2.6 million.

Investing Activities

The three months ended March 31, 2020 reflected a use of cash of $7.7 million for the acquisition of property, plant and equipment and mineral property interests compared to $7.7 million for the three months ended March 31, 2019.

Financing Activities

For the period ended March 31, 2020 cash used in financing activities of $0.1 million compared to cash provided of $10.9 million for the same period in 2019. The decrease of $11.1 million is partly due to the issuance of shares totalling $8.1 million in 2019 compared to nil in 2020. Furthermore, the Corporation received cash from the issuance of debt totalling $2.4 million for the three months ended March 31, 2019, compared with nil for the three months ended March 31, 2020. Partially offsetting was lower cash provided from the exercise of options and warrants in 2020 of $0.1 million when compared to $0.6 million in 2019.

As a result of the foregoing activities, for the three months ended March 31, 2020, the net cash provided by operating, investing and financing activities was $3.8 million compared to cash used of $0.6 million in 2019.

<u>September 2019 Financing – Use of Proceeds Reconciliation:</u>

The Corporation raised total gross proceeds of $18.5 million by issuing a total of 46,156,000 common shares and 23,789,000 warrants in an offering described in the short-form prospectus, of the Corporation dated, and filed on SEDAR on, September 17, 2019 (the "**September Prospectus**"). Total net proceeds of the offering, after deducting underwriters' fees and other expenses, was $17.5 million which includes the additional over-allotment of funds received. Set out below is a comparison of the use of the proceeds of this offering as described in the September Prospectus versus actual.

Use of Proceeds	**Actual use of proceeds March 31, 2020**	Use of proceeds Short Form Prospectus Dated September 17, 2019
Further capital development for production in the A Zone and Western Flanks (Beta Hunt Mine)	$2,770	$2,800
Exploration and development drilling and related activities in the A Zone, Western Flanks, Fletcher, and areas south of the Alpha Island Fault (Beta Hunt Mine)	1,326	1,200
Capital expenditures relating to the Mill at the Higginsville Operations and integration of the Mill with the Beta Mine (including crusher product screen, replacement of secondary crusher, refurbishment of mill thickener, replace auto lubrication system on mill)	590	1,500
Testing the installation of HV power to the Higginsville operation and the integration of the Beta Hunt and Higginsville operations including diesel, haulage, stores and maintenance	-	1,000
Geological review and exploration of the Higginsville property package.	3,086	2,000
Other capital expenditures relating to the Beta Hunt Mine (including mine ventilation, refurbishment of mobile equipment, and spares).	1,577	5,000
Working capital and general corporate purposes	1,885	3,300
	$11,234	$16,800

Not all of the proceeds raised were used as of March 31, 2020 and the actual use, up to March 31, 2020, was less than the September Prospectus disclosure. The remaining funds will be used in subsequent quarters.

As noted in the Short Form Prospectuses, the amount actually expended for the purposes described above could vary significantly from the Short Form Prospectuses disclosure depending on, among other things, the gold price, unforeseen events, and the Corporation's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Liquidity and Capital Resources

(in thousands of dollars)	**March 31, 2020**	December 31, 2019
Cash and cash equivalents	**$38,407**	$34,656
Working capital [1]	**30,692**	26,506
Property, plant and equipment and mineral property interests	**99,566**	98,955
Total assets	**179,111**	177,777
Current liabilities excluding current portion of financial liabilities [2]	**27,613**	31,593
Non-current liabilities excluding non-current portion of financial liabilities [2]	**21,624**	21,783
Financial liabilities (current and non-current) [2]	**33,463**	32,119
Total liabilities	**82,700**	85,495
Shareholders' equity	**96,411**	92,282

1. Working capital deficit is a measure of current assets (including cash and cash equivalents) less current liabilities.
2. Financial liabilities include long-term debt and lease obligations.

The Corporation's future financing efforts may be affected by several factors including, but not limited to, general economic conditions and volatility in the capital markets. Based on the current financial condition of the Corporation, RNC does not anticipate additional equity or debt financing in the near future.

As at March 31, 2020, the Corporation had a working capital surplus of $30.7 million compared to a $26.5 million surplus as at December 31, 2019 for an improvement of $4.2 million. The majority of the increase to working capital was a result of the Corporation's reduction in accounts payable and accrued liabilities of $3.9 million with a partial offset from lease obligations which increased by $1.2 million.

Total assets as at March 31, 2020 increased by $1.3 million compared to the period ended December 31, 2019, primarily due to an increase in cash and cash equivalents of $3.8 million and, an increase in property, plant and equipment and mineral property interests of $0.6 million partially offset by a decrease in inventories of $1.7 million.

Total liabilities as at March 31, 2020 decreased by $2.8 million compared to the period ended December 31, 2019. This decrease is primarily due to a decrease in accounts payable and accrued liabilities of $3.9 million partially offset by the increase in lease obligations of $1.2 million.

7. RESULTS OF QUARTERLY OPERATIONS

Mining Operations (Consolidated)

First quarter 2020 gold production was 24,816 oz compared to 4,778 oz in the first quarter of 2019 and down slightly from 26,874 oz produced in the fourth quarter of 2019, inline with 2020 production guidance. 314kt of mineralized material was milled.

The consolidated gold milled grade in the first quarter was 2.35 grams per tonne of gold ("**g/t Au**"), 27% lower than in the first quarter of 2019 due to a higher level of Higginsville open pit material milled compared to exclusive Beta Hunt material used during the first quarter of 2019. The first quarter 2020 mill grade of 2.35 g/t was lower than the mill grade of 2.60 g/t in the fourth quarter of 2019 in part due to lower grade stockpiles being utilized to offset the impact of regional road closures during the Australian bushfires and subsequent flooding from heavy rainfalls. Production during the first quarter of 2020 consisted of material from Beta Hunt underground, Baloo open pit, Fairplay North open pit and a small amount of stockpile material. 24,626 oz of gold was sold during the first quarter of 2020.

For the three months ended March 31,	**2020**	2019
Gold Operating Results		
Tonnes milled (000s)	**314**	50
Milled grade (g/t)	**2.35**	3.20
Gold produced (ounces)	**24,816**	4,778
Gold sales (ounces)	**24,626**	6,375
Cash operating cost (US $/oz sold) [1]	**$965**	$898
All-in sustaining cost (AISC) (US $/oz sold) [1]	**$1,101**	$1,030

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section 14 of this MD&A.

Beta Hunt Mine

In the first quarter of 2020, 186 kt of material was milled at an average grade of 2.58 g/t to produce 17,170 oz of gold, a 259% increase from the first quarter of 2019. Milling grades were 19% lower compared to the first quarter of 2019 when higher-grade mined material was processed. Gold ounces of 17,078 were sold during the first quarter of 2020.

For the three months ended March 31,	**2020**	2019
Beta Hunt Gold Operating Results		
Tonnes milled (000s)	**186**	50
Milled grade (g/t)	**2.58**	3.20
Gold produced (ounces)	**17,170**	4,778
Gold sold (ounces)	**17,078**	6,375
Cash operating cost (US $/oz sold) [1]	**$944**	$898

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of this MD&A.

Higginsville Gold and Processing Operations

The Higginsville Gold Operation milled 314 kt of material, which included 128 kt of HGO material that produced 7,646 oz at an average grade of 2.00 g/t Au for the three months ended March 31, 2020. Milling has continued at HGO based on a steady feed of material from HGO and Beta Hunt.

For the three months ended March 31,	**2020**	2019[2]
HGO Gold Operating Results		
Tonnes milled (000s)	**128**	-
Mill grade (g/t)	**2.00**	-
Gold produced (ounces)	**7,646**	-
Gold sold (ounces)	**7,548**	-
Cash operating cost (US $/oz sold) [1]	**$1,013**	-

1. Non-IFRS: the definition and reconciliation of these measures are included in the Non-IFRS Measures section of this MD&A.
2. HGO was acquired on June 10, 2019 and prior to acquisition no comparative figures are available.

Cautionary Statement:
A production decision at HGO was made by previous operators of the mine, prior to the completion of the acquisition of HGO by RNC and RNC made a decision to continue production subsequent to the acquisition. This decision by RNC to continue production and, to the knowledge of RNC, the prior production decision were 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, which include 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 anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on the Corporation's cash flow and future profitability. Readers are cautioned that there is increased uncertainty and higher risk of economic and technical failure associated with such production decisions.

8. OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Corporation does not have any off-balance sheet arrangements.

9. PROPOSED TRANSACTIONS

From time to time, in the normal course of business, the Corporation considers potential acquisitions, joint ventures, and other opportunities. The Corporation will disclose such an opportunity if and when required under applicable securities rules.

10. SUBSEQUENT EVENTS

The first quarter of 2020 was marked by the severity of the Coronavirus global outbreak which is expected to continue into the second quarter of 2020. The extent and duration of the related impacts on the Corporation's operations, including with respect to suppliers, service providers, employees and on global financial markets, is not known at this time but could be material. The Beta Hunt and HGO sites continue to operate while the Corporation monitors developments in order to be in a position to take appropriate actions as needed. See Risk Factors section in the Annual Information Form for further information on this risk.

On April 15, 2020, RNC announced that it had received approval of the Toronto Stock Exchange for a normal course issuer bid to purchase up to no more that 30,415,198 representing 5% of its issued and outstanding common shares (the "**Common Shares**") at the prevailing market price at the time of purchase. The Bid will expire no later than April 16, 2021. Purchases of Common Shares will be made through the facilities of the TSX in accordance with its rules. Purchases may also be made through alternative Canadian trading systems. The average daily trading volume of the Common Shares for the previous six calendar months Average Daily Trading Volume ("**ADTV**") was 1,533,196 Common Shares. Subject to the TSX's block purchase exception, on any trading day, purchases under the Bid will not exceed 383,299 Common Shares (25% of the ADTV). The price that the Corporation will pay for any Common Shares purchased under the Bid will be the prevailing market price at the time of purchase. Any Common Shares purchased by the Corporation will be cancelled. A copy of the Notice of Intention filed by RNC in connection with the Bid may be obtained from RNC upon request.

11. OUTSTANDING SHARE DATA

As at May 6, 2020, the Corporation had 608,410,634 common shares issued and outstanding and had the following securities outstanding, which are exercisable for common shares:

	Number of Securities	Weighted Average Exercise Price
Stock options	26,774,501	$0.35
Warrants	25,073,089	$0.50

As at May 6, 2020, the Corporation had the following securities outstanding, which are redeemable, at the option of the holder, for cash or common shares:

	Number of Securities
Deferred share units	784,343
Restricted share units	4,788,348

Under the agreement dated March 8, 2007, pursuant to which the Corporation acquired a 100% interest in the Marbaw Mineral Claims (see the Corporation's most recent Annual Information Form on file with the Canadian provincial regulatory authorities, available at www.sedar.com), the Corporation is required to issue 7,000,000 common shares of RNC to Marbaw upon the satisfaction of certain conditions. Such conditions have been satisfied other than the receipt by the Corporation of a notice from Marbaw requesting that these shares be issued.

12. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires management to apply accounting policies and make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. There is full disclosure of the Corporation's critical accounting policies and accounting estimates in note 2 of the audited consolidated financial statements for the year ended December 31, 2019.

There were no changes to the accounting policies applied by the Corporation to its March 31, 2020 unaudited condensed interim consolidated financial statements, compared to those applied by the Corporation to the audited consolidated financial statements for the year ended December 31, 2019.

13. DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Corporation's management, including the Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") of the Corporation is responsible for establishing and maintaining the Corporation's disclosure controls and procedures ("**DCP**") and internal controls over financial reporting ("**ICFR**"), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. The Corporation's controls are based on the Committee of Sponsoring Organizations of the Treadway Commission (2013) framework on Internal Control – Integrated Framework. The Corporation's management believes that any disclosure controls and procedures and internal control over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met. Based on its evaluation and the material weakness in internal controls outlined below, the Corporation's Chief Executive Officer and Chief Financial Officer have concluded that the Corporation's ICFR were not effective as of March 31, 2020.

A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. During the 2019 year-end process, a material weakness was identified in the design of controls relating to the classification of expenditures and amortization of capitalized expenses. Specifically, a review of expenditures identified a misclassification of expenditures as operating costs rather than as a capitalized expenditure and that amortization expense was understated in quarters previously reported in 2019.

In the opinion of management, this represents a material weakness in the Corporation's ICFR. This material weakness resulted in an overstatement of expenses and understatement of capitalized expenditures as well as an understatement of amortization expense and overstatement of capitalized expenditures in the consolidated financial statements as at and for the quarters ended March 31, 2019, June 30, 2019 and September 30, 2019, which was corrected prior to the issuance of the December 31, 2019 consolidated financial statements. Further information is disclosed in Note 30 – Quarterly Adjustments (unaudited – supplementary information) of the consolidated financial statements for the year ended December 31, 2019.

Management is committed to remediating the material weakness in a timely manner, with the appropriate oversight from the Corporation's Audit Committee. The Corporation responded to the material weakness by implementing a more rigorous review process related to the classification of expenditures and amortization of capitalized expenditures for the year ended December 31, 2019 and will continue to monitor these controls each quarter. Material weaknesses cannot be considered remediated until the remedial controls operate for a sufficient period of time and management has concluded through testing, that these controls are operating effectively.

On June 10, 2019, the Corporation completed the acquisition of its interest in HGO. The results of HGO's operations have been included in these financial statements since the respective date of the acquisition. However, the Corporation has not completed the review of the internal controls used by HGO. The Corporation is in the process of expanding its disclosure controls and procedures, and internal controls over its financial reporting compliance program to include HGO by June 10, 2020. As a result, the Corporation's CEO and CFO have limited the scope of design of disclosure controls and procedures and testing of internal controls over financial reporting to exclude HGO's controls, policies and procedures from the March 31, 2020 certification of internal controls. Financial information concerning HGO is disclosed in the *Description of Business* and *Project Updates and New Developments* sections of this MD&A and in Note 4 of the audited consolidated financial statements for the year ended December 31, 2019.

Except as described in the previous paragraphs, there have been no changes in the Corporation's DCP or ICFR that materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

The Corporation's CEO and CFO concluded that as of March 31, 2020, except as described in the previous paragraphs, the Corporation's design and operation of its DCP and ICFR were effective in providing reasonable assurance that material information regarding this report, and the unaudited condensed interim consolidated financial statements and other disclosures, was made known to them in a timely manner and reported as required and in providing reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

14. NON-IFRS MEASURES

This MD&A refers to cash operating cost, cash operating cost per oz, all-in sustaining cost, EBITDA, adjusted EBITDA, adjusted EBITDA per share, adjusted earnings and adjusted earnings per share which 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 the Corporation's performance assess performance in this way. Management believes that these measures better reflect the Corporation'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.

In November 2018, the World Gold Council ("**WGC**") published its guidelines for reporting all-in sustaining costs and all-in costs. The WGC is a market development organization for the gold industry and is an association whose membership comprises leading gold mining companies. Although the WGC is not a mining industry regulatory organization, it worked closely with its member companies to develop these non-IFRS measures. Adoption of the all-in sustaining cost and all-in cost metrics is voluntary and not necessarily standard, and therefore, these measures presented by the Corporation may not be comparable to similar measures presented by other issuers.

The following tables reconcile these non-IFRS measures to the most directly comparable IFRS measures:

MINING OPERATIONS

Cash Operating and All-in Sustaining Costs

The Corporation uses this measure internally to evaluate the underlying operating performance of the Corporation. Management believes that providing cash operating cost data allows the reader the ability to better evaluate the results of the underlying operations.

Consolidated Mining Operations

For the three months ended March 31,	**2020**	2019
Production and processing costs	$33,534	$6,499
Royalty expense: Government of Western Australia	1,229	270
Royalty expense: Other	3,108	838
Adjustment[1]	(6,248)	-
Operating costs (CA$)	$31,623	$7,607
General and administration expense – corporate	921	343
Sustaining capital expenditures	3,545	781
All-in sustaining costs (CA$)	36,089	$8,731
Average exchange rate (CA$1 – US$1)	0.75	0.75
Operating costs (US$)	**$23,767**	**$5,722**
All-in sustaining costs (US$)	**$27,123**	**$6,567**
Ounces of gold sold	24,626	6,375
Cash operating costs (per ounce sold) (US$)	**$965**	**$898**
All-in sustaining cost (per ounce sold) (US$)	**$1,101**	**$1,030**

1. Negative adjustment for intercompany tolling transactions (2020 Q1: $6,248)

Beta Hunt Mine (gold)

For the three months ended March 31,	**2020**	2019
Production and processing costs	$18,228	$6,498
Royalty expense: Government of Western Australia	794	270
Royalty expense: Other	2,430	839
Operating costs (CA$)	$21,452	$7,607
Average exchange rate (CA$1 – US$1)	0.75	0.75
Operating costs (US$)	**$16,122**	**$5,722**
Ounces of gold sold	17,078	6,375
Cash operating costs (per ounce sold) (US$)	**$944**	**$898**

Higginsville Mine (gold)

For the three months ended March 31,	**2020**	2019[2]
Production and processing costs	$15,306	$-
Royalty expense: Government of Western Australia	435	-
Royalty expense: Other	678	-
Adjustment[1]	(6,248)	-
Operating costs (CA$)	$10,171	$-
Average exchange rate (CA$1 – US$1)	0.75	0.75
Operating cost (US$)	**$7,645**	**$-**
Ounces of gold sold	7,548	-
Cash operating costs (per ounce sold) (US$)	**$1,013**	**$-**

1. Negative adjustment for intercompany tolling transactions (2020 Q1: $6,248)
2. HGO was acquired on June 10, 2019 and prior to acquisition no comparative figures are available.

Adjusted EBITDA and Adjusted Earnings

Management believes that adjusted EBITDA per share and adjusted Earnings per share are valuable indicators of the Corporation's ability to generate operating cash flows to fund working capital needs, service debt obligations, and fund exploration and evaluation, and capital expenditures.

EBITDA excludes the impact of certain items and therefore is not necessarily indicative of operating profit or cash flows from operating activities as determined under IFRS.

Other companies may calculate EBITDA differently. Adjusted EBITDA is a non-IFRS measure, which excludes the following from comprehensive earnings (loss): income tax expense (recovery); interest expense and other finance-related costs; depreciation and amortization; non-cash other expenses, net; non-cash impairment charges; non-cash portion of share-based payments; acquisition costs; foreign exchange loss.

In the determination of adjusted earnings (loss), the Corporation assumes the same exclusions noted above for the determination of Adjusted EBITDA but adds back the impact of servicing debt obligations being interest expense and other finance-related costs.

(in thousands of dollars except per share amounts)

For the three months ended March 31,	**2020**	2019 [1]
Net earnings (loss) for the period - as reported	**$539**	$(1,577)
Finance expense, net	**981**	207
Income tax expense	**345**	-
Depreciation and amortization	**4,054**	552
EBITDA	**5,919**	(818)
Adjustments:		
Non-cash share-based payments [2]	**(223)**	(642)
Share of loss of associates [2]	**417**	307
Other income, net [2]	**(247)**	(177)
Foreign exchange loss [3]	**7,715**	1,164
Adjusted EBITDA	**$13,581**	$(166)
Weighted average number of common shares - basic	**608,039,763**	464,713,716
Adjusted EBITDA per share - basic	**$0.02**	$(0.00)

1. Revised to conform to current year's presentation.
2. Primarily non-recurring items which do not impact cash flow.
3. Primarily related to intercompany loans for which the loss is unrealized.

(in thousands of dollars except per share amounts)		
For the three months ended March 31,	**2020**	2019
Adjusted EBITDA	**$13,581**	$(166)
Finance expense, net	**(981)**	(207)
Adjusted earnings (loss)	**$12,600**	$(373)
Weighted average number of common shares - basic	**608,039,763**	464,713,716
Adjusted earnings (loss) per share - basic	**$0.02**	$(0.00)

15. CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This MD&A contains "forward-looking information", which may include, but is not limited to, statements relating to the liquidity and capital resources of RNC, production and cost guidance, the potential of the Beta Hunt and HGO, and the potential of Dumont, West Raglan and Qiqavik projects, successfully obtaining project financing, successfully obtaining permitting, the future financial or operating performance of the Corporation and its projects, the future price of and supply and demand for metals, the estimation of mineral reserves and resources, the realization of mineral reserves and resources estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new and existing deposits, costs and timing of future exploration as well as the potential of exploration at the Beta Hunt Mine and at the Corporation's exploration properties, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, the success of mining operations, economic return estimates and potential upside. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. 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 the Corporation 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: project delays; general business, economic, competitive, political and social uncertainties; labour and operational disruptions due to the COVID 19 virus or other widespread public health issues, results of exploration programs; future prices of metals; availability of alternative metal sources or substitutions; actual metal recovery; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; the future cost of capital to the Corporation; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; 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, as well as those factors discussed in the section entitled "Risk Factors" in the Corporation's December 31, 2019 and 2018 Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2019 filed on SEDAR. Such forward-looking statements are also based on a number of material factors and assumptions, including: the availability of financing at rates and on terms and conditions otherwise acceptable to the Corporation; future metal prices; permitting and development consistent with the Corporation's expectations; foreign exchange rates; prices and availability of equipment; that contracted parties provide goods and/or services on the agreed time frames; that the current tax credit receivable from the Quebec government is collected in a timely manner; that on-going contractual negotiations will be successful and/or be completed in a timely manner; and that no unusual geological or technical problems occur.

Although the Corporation 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 MD&A and the Corporation 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. Given these risks, uncertainties and the integration risk associated with the acquisition of HGO, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Readers of this report are cautioned that actual events and results may vary.

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

This MD&A uses the terms "measured", "indicated" and "inferred" when referring to mineral resources. The Corporation advises U.S. investors that while these terms are recognized and required by Canadian securities administrators, they are not recognized by the Securities and Exchange Commission ("**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.