ROYAL NICKEL CORPORATION

(Doing business as RNC Minerals)

MANAGEMENT'S DISCUSSION AND ANALYSIS

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2017

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INTRODUCTION

The following 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**", "**Royal Nickel**" or the "**Corporation**") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three and nine months ended September 30, 2017. This MD&A, dated November 14, 2017, is intended to supplement and complement the Corporation's unaudited condensed consolidated interim financial statements – prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("IASB"), applicable to the preparation of interim financial statements including IAS 34 Interim Financial statements – and related notes for the three and nine months ended September 30, 2017 and should be read in conjunction with the audited consolidated financial statements and MD&A for the year ended December 31, 2016 and the Corporation's most recent Annual Information Form on file with Canadian provincial securities regulatory authorities and available at www.sedar.com. Unless otherwise noted, all amounts presented are in thousand Canadian dollars.

DESCRIPTION OF BUSINESS

RNC is a mineral resource company primarily focused on the acquisition, responsible development and operation of a high-quality portfolio of base and precious metals assets. During 2016, the Corporation transitioned into a gold, nickel and copper producer. The Corporation's principal assets are a 100% interest in Salt Lake Mining Pty Ltd ("**Salt Lake Mining**" or "**SLM**"), which has 100% ownership of the Beta Hunt Mine ("**Beta Hunt**"), a 50% interest in the Magneto Investments Joint Venture ("Magneto" or "Magneto JV"), which has 100% ownership of the Dumont Nickel Project, strategically located in the established Abitibi mining camp, 25 kilometres northwest of Amos, Quebec, and a 100% interest in VMS Ventures Inc. ("**VMS Ventures**" or "**VMS**"), which has a 30% interest in the Reed Mine, located in Manitoba. The Corporation has a 67% holding in the Qiqavik and West Raglan exploration projects through its subsidiary True North Nickel ("**TNN**") for which ownership, as of October 23, 2017, was reduced to 55% as set out below under the section "*Events Subsequent to September 30, 2017".* In addition to these assets the Corporation holds interests in certain other properties, as set out below under "*Mineral Exploration Properties*". The Corporation's common shares are traded on the Toronto Stock Exchange ("**TSX**") (TSX symbol RNX).

Salt Lake Mining

As a result of a series of transactions completed between February and May 2016 the Corporation acquired 100% of Salt Lake Mining, a private company whose main asset is a 100% interest in the Beta Hunt Mine, a nickel and gold producer located in the prolific Kambalda mining district of Australia. The Beta Hunt Mine is located 600 km east of Perth in Kambalda, Western Australia. SLM acquired the property in 2013 and succeeded in re-combining the nickel and gold rights. Nickel operations were re-started in 2014 and have operated continuously since then. Initial gold production occurred in June and July, 2014 and recommenced at the end of 2015. With the decline in nickel prices, Beta Hunt shifted its focus from a nickel to gold producer. Beta Hunt ramped up its gold operation and declared commercial production June 20, 2017 with effect from July 1, 2017.

Dumont Nickel Project

Since acquiring the Dumont Nickel Project in 2007, RNC has undertaken an exploration and evaluation program to evaluate and develop the mineral resources. In its detailed evaluation of the Dumont Nickel Project, RNC has completed the following successive National Instrument 43-101 (“**NI 43-101**”) technical reports:

- Preliminary Economic Assessment – September 3, 2010
- Pre-feasibility Study – December 16, 2011
- Revised Pre-feasibility Study – June 22, 2012
- Feasibility Study – July 25, 2013

These technical reports were supported by detailed exploration and evaluation work including over 171,000 metres of diamond drilling at regularly spaced sections in order to delineate the mineral resource, assess geotechnical properties of the rock and evaluate regional exploration targets on the Dumont property. In addition to the resource definition, several programs intended to characterize the deposit and its environment have been undertaken to support development studies. These include geological interpretation studies, deposit and geotechnical modeling, and sampling for metallurgical testing. Detailed laboratory scale metallurgical testing on representative samples from the Dumont Nickel Project has been undertaken leading to a standard flowsheet design and estimate of nickel recovery and concentrate quality.

The NI 43-101 compliant feasibility study technical report on the Dumont Nickel Project dated July 25, 2013 and uploaded October 24, 2013 is available on SEDAR at www.sedar.com.

On April 20, 2017, RNC closed a joint venture transaction with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Onshore Master, LP (collectively, "Waterton"). Under the terms of the transaction, Waterton has acquired a 50% interest in the Dumont Nickel Project. RNC and Waterton have formed a 50/50 nickel joint venture that will own and advance Dumont and seek to acquire high quality nickel assets globally.

VMS Ventures Inc.

On April 27, 2016, the Corporation acquired 100% of VMS Ventures. VMS is a private company whose main asset is a 30% interest in the Reed Mine, a low-cost copper producer located near Flin Flon, Manitoba. VMS also holds mineral properties including a 30% interest in ones adjacent to Reed Mine.

VMS announced the discovery of the Reed property in 2007, and signed a joint venture agreement with Hudbay Minerals Inc. in 2010 under which Hudbay became the 70% owner and operator of the Reed project and VMS retained a 30% participating interest. In December 2011, Hudbay approved the construction of the Reed Mine. The capital construction budget for Reed was CDN$72 million. Production at Reed commenced in September 2013 and the mine commenced commercial production on April 1, 2014.

True North Nickel Inc.

On June 17, 2014, the Corporation acquired a 56% interest (67% interest as of September 30, 2017) in TNN, a private company whose main asset was a 100% interest in the West Raglan nickel sulphide project located in Northern Quebec.

On March 2, 2016 the Corporation announced that TNN had discovered a new high grade gold, silver, copper and zinc mineralized trend at its newly consolidated Qiqavik Project near the West Raglan project.

On July 25, 2017, TNN entered into an amalgamation agreement with Focused Capital Corp. and its wholly-owned subsidiary (“Focused Subco”) pursuant to which Focused Subco and TNN will amalgamate. Following the amalgamation, the resulting issuer will hold all of TNN's assets and will be renamed Orford Mining Corporation ("Orford").

As of October 23, 2017, the Corporation's interest in TNN's assets was reduced to 55% as set out below under "*Events Subsequent to September 30, 2017".*

THIRD QUARTER AND RECENT HIGHLIGHTS

- Mined gold production at Beta Hunt during the third quarter was 10,489 ounces, up 27% compared to 8,281 ounces in the second quarter of 2017 and gold tonnes mined was 145.5 kt in the third quarter of 2017, up 18% compared to 123.1 kt in the second quarter of 2017. Gold sales were 8,659 ounces, an increase of 47% compared to 5,891 ounces sold in the second quarter of 2017.

- For the third quarter of 2017, gold mining cash cost per ounce decreased by 34% to US$804 per ounce from US$1,211 per ounce in the second quarter. On a cost per ounce sold basis, gold cash costs, net of by-product credits decreased by 15% to US$1,439 per ounce sold, and all-in sustaining costs net of by-product credits decreased by 12% to US$1,569 per ounce sold, compared to US$1,687 and US$1,786, respectively, in the second quarter of 2017. As production volumes ramp up and grades improve through the year, costs are expected to decline toward target levels. Reference is made to the Non-IFRS Measures section of this MD&A.

- Reed Mine third quarter 2017 copper contained in concentrate production was 2.7 million pounds (1.21 kt) (30% basis) compared to the second quarter of 3.1 million pounds (1.41kt) (30% basis). Cash costs decreased by 2% to US$1.55 per pound sold and all-in sustaining costs decreased by 5% to US$1.57 per pound sold, compared to US$1.58 and US$1.66 in the second quarter of 2017. The Corporation's share of gold in concentrate production for the third quarter of 2017 from the Reed Mine was 300 ounces. Reference is made to the Non-IFRS Measures section of this MD&A.

- Excluding a non-cash impairment charge of $1.9 million, the combined operating loss from Beta Hunt and Reed Mines was $3.1 million for the three months ended September 30, 2017.

- The Corporation had a net loss of $12.3 million ($0.04 per share) for the three months ended September 30, 2017, compared to a net loss of $4.9 million ($0.02 per share) for the same period in 2016.

- Subsequent to the end of the quarter, on October 20, 2017, the amalgamation agreement with Focused Capital Corp. and its wholly-owned subsidiary ("Focused Subco") was approved at a special meeting of Focused shareholders. The Amalgamation was completed on October 23, 2017, as set out below under "*Events Subsequent to September 30, 2017",* and the resulting 55% owned subsidiary now holds all of TNN's assets and has been renamed Orford Mining Corporation ("Orford"), trading on the TSX Venture Exchange under the symbol "ORM".

- On October 30, 2017, the Corporation reported that Orford, in which RNC has a 55% equity interest, announced the results of a very successful summer 2017 gold exploration program at its high grade gold Qiqavik Project. Drilling has supported the subsurface extent of the structures and the mineralization associated with the 2016 surface gold discoveries at Esperance, Esperance West, and Aurora. Additionally, five new high-grade gold surface prospecting discoveries were made that remain untested by drilling.

OPERATIONAL REVIEW

Beta Hunt Mine

In the third quarter of 2017, the Beta Hunt Mine continued to be focused on ramping up its gold production and mined 146 kt of gold mineralization containing 10.5 koz of gold. Mine development has improved during the first three quarters of 2017 and this is expected to lead to increasing production levels for the balance of 2017. Gold C1 and all-in sustaining costs ("AISC") net of by-product credits were US$1,439 and AISC US$1,569, respectively, for the third quarter and are expected to decline as production continues to increase. Reference is made to the Non-IFRS Measures section of this MD&A. Costs are based on ounces sold, which were primarily produced during the second quarter and early part of the third quarter when mining rates remained at relatively low levels. The gold mining cash cost per ounce mined decreased to $804/oz in Q3 from Q2 costs of $1,211/oz with a further decline in September to $578 per ounce. During the third quarter of 2017, run-of-mine ore grades were 2.24 g/t and the average grade milled was 2.23 g/t, 7% and 8% higher than the second quarter of 2017. Reference is made to the Non-IFRS Measures section of this MD&A. Cash costs are expected to improve going forward as the mine achieves improved grades and throughput levels.

Four toll milling campaigns were completed with 182.3 kt of gold mineralization containing 13,047 oz of gold being milled during the third quarter of 2017.

A total of 10.2 kt of nickel mineralization were milled at the BHP Billiton Kambalda Mill during the third quarter of 2017, producing 0.25 ktonnes of nickel in concentrate.

Q3 2017 Production

Beta Hunt Gold and Nickel Operation

The following is a summary of the quarterly 2017 Production from Beta Hunt Mine:

Beta Hunt Gold and Nickel Operation	**Q3 2017**	**Q3 2016**	**YTD Q3 2017**	**YTD Q3 2016[7]**
Gold tonnes mined (000s)	145.5	105.0	371.0	266.6
Gold mined grade (g/t)[1]	2.24	2.10	2.04	2.31
Gold tonnes milled (000s)	182.3	140.0	349.6	263.5
Gold mill grade (g/t)[1]	2.23	2.24	2.06	2.30
Gold milled (ounces)	13,047	10,058	23,180	19,554
Gold mined (ounces)[1,2]	10,489	7,094	24,305	20,329
Gold sales (ounces)	8,659	7,570	20,682	16,388
Nickel tonnes mined (000s)	8.3	13.1	25.2	61.6
Nickel tonnes milled (000s)	10.2	13.3	26.6	62.2
Nickel mill grade, nickel (%)	2.84	2.48	2.75	2.70
Nickel in concentrate tonnes (000s)	0.25	0.29	0.64	1.51

Beta Hunt Gold and Nickel Operation[6]	Q3 2017	Q2 2017	Q1 2017
Gold mining cash cost per ounce (US$ per ounce mined) [3]	$804	$1,211	$1,669
Gold all-in sustaining cost, net of by-product credits (US$ per ounce sold) [4,5,6]	$1,569	$1,786	$1,685
Gold C1 cash operating cost, net of by-product credits (US$ per ounce sold) [4,5]	$1,439	$1,687	$1,647
Nickel C1 cash operating cost (US$ per lb. sold)[5]	$3.40	$3.31	$2.97
Nickel C1 cash operating cost (US$ per tonne sold)[5]	$7,499	$7,293	$6,541
Nickel all-in sustaining cost (AISC) (US$ per lb. sold)[5]	$3.45	$4.15	$3.00
Nickel all-in sustaining cost (AISC) (US$ per tonne sold)[5]	$7,596	$9,150	$6,618

1. The difference in gold sales ounces and gold mined ounces is due to timing differences in receipt of gold sales depending on completion date of tolling campaigns.
2. As of September 30, 2017, 43.5 kt of gold mineralization from Q3 2017 production remained on the ROM pad for tolling in the subsequent quarter, compared to 80 kt of gold as of June 30, 2017.
3. Gold mining cash cost per ounce for the month of September 2017 was US$578 per ounce mined at a recovery of 90%.
4. Gold operations declared commercial production in the second quarter of 2017 with effect on July 1, 2017. Prior to Q3, gold operations were in the ramp up stage towards commercial production and operating and sustaining costs per ounce for those periods are not comparable to other companies.
5. All-in sustaining cost, net of by-product credits, cash operating cost, net of by-product credits, cash operating cost, cash operating cost per tonne, all-in sustaining cost, and all-in sustaining cost per tonne 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 RNC's performance, assess performance in this way. Management believes that these measures better reflect RNC'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.
6. Reference is made to the Non-IFRS Measures section of this MD&A.

The third quarter of 2017 continued to be a period of transition for the Beta Hunt Mine as it ramped up gold production upon commencement of commercial production which was achieved at the end of the second quarter of 2017. Until the end of the second quarter of 2017, Beta Hunt gold cost of sales, net of gold revenue, were capitalized to property, plant and equipment. Beginning July 1, 2017, following the declaration of commercial production, gold cost of sales, net of gold revenue were no longer capitalized to property, plant and equipment. As previously disclosed, the Beta Hunt production ramp-up was slower than expected due to temporary equipment availability issues and lower grades than expected from the initial portion of first Western Flanks mining stope resulting in lower than planned grades and lower than planned gold production in the first quarter of 2017. Since the end of the first quarter, there has been significant ongoing improvement in development rates, mine output and grade and quarter-over-quarter improvements are expected to continue for the remainder of 2017. The cost per ounce sold decreased slightly in Q3 relative to Q2 as the majority of ounces processed and sold were mined during a period of low production during Q1 and early Q2. The decline in cost per ounce mined reflects the improved throughput and grade achieved as the third quarter progressed.

VMS Ventures - Reed Copper Operation

Reed Mine Third Quarter 2017 Production

For the three months ending September 30, 2017, VMS's 30% share of metal contained in concentrate production from the Reed Mine was 1.21 kt of copper and 300 oz of gold. Guidance for the full year remains unchanged.

Reed Mine Operating Review by quarter (100% basis)

	Q3 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016
Ore (tonnes hoisted)	117,536	112,929	358,184	338,842
Ore (tonnes milled)	107,705	119,795	339,833	325,794
Copper (%)	4.06	3.59	3.72	4.28
Zinc (%)	0.62	0.59	0.57	0.62
Gold (g/t)	0.48	0.42	0.46	0.52
Silver (g/t)	8.23	6.61	6.68	7.10

Reed Mine Q3 2017 Production and Costs (30% basis)

	Q3 2017	Q2 2017	Q1 2017
Copper contained in concentrate (kilo tonnes)	1.21	1.41	0.85
Gold contained in concentrate (ounces)	300	293	283
Copper cash operating cost per pound sold [1]	$1.55	$1.58	$2.06
Copper all-in sustaining cost per pound sold [1]	$1.57	$1.66	$2.10

1. Cash operating cost per pound, and all-in sustaining cost per pound, 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 RNC's performance, assess performance in this way. Management believes that these measures better reflect RNC'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.

Dumont Nickel Project

During the third quarter of 2017, the Magneto JV continued its activities in support of the Dumont Nickel Project. The following were the major activities during the third quarter 2017:

- Continuation of environmental baseline samplings of on-site water quality.
- Work continued on the closure plan for Dumont, providing updates to the government comments received back in March 2017.
- The Magneto JV began evaluation of opportunity options related to Dumont to identify and prioritize future study options.

On April 20, 2017, the Corporation closed a transaction under which Waterton acquired 50% of the Corporation's interest in the Dumont Nickel Project for US$22.5 million (C$30.3 million) in cash. The Corporation and Waterton contributed US$17.5 million (C$23.6 million) into Magneto, a newly established joint venture vehicle that owns Dumont and will pursue other nickel opportunities. US$5 million (C$6.7 million) of this amount is allocated to Dumont-related carrying costs and other expenses incurred over the next four years (expected to include the cost of an updated feasibility study).

Exploration Properties

The Corporation owns a majority interest in Orford. Orford's main assets consist of exploration properties in Northern Quebec, comprising the Qiqavik and West Raglan projects and the Carolina Gold Belt in the United States, comprising the Jones-Keystone/Loflin, and Landrum-Faulkner gold properties.

Qiqavik Property

On March 2, 2016 the Corporation announced that its TNN subsidiary had discovered a new high grade gold, silver, copper and zinc mineralized trend at its newly consolidated Qiqavik Project in Northern Quebec. High grade gold mineralization was found during the 2015 exploration season with several grab samples ranging from 5 g/tonne up to 198 g/tonne over 15km of strike length, with several outcropping areas also containing high grade silver, copper and zinc, representing a potentially important new discovery in an underexplored volcano-sedimentary belt within the Cape Smith Belt.

On October 30, 2017, Orford announced results from the 2017 exploration programs at its Qiqavik property in northern Québec. At Qiqavik, the 2017 field program began on July 19. This program consisted of diamond drilling of 2,723 metres in 23 holes, 721 line-kilometres of airborne (drone) magnetic surveying and 105.6 line-kilometres of Abitibi Geophysics ground OreVisionTM IP surveying, prospecting, mapping, surface rock sampling, and till sampling. This work led to better understanding of the occurrences discovered in 2016) and to the identification of many additional mineralized occurrences on the property, including two occurrences with visible gold. Work completed during the 2017 program demonstrates that gold is associated with secondary splay structures located along the district-scale Qiqavik Break Shear Zone which extends the full 40 km length of the Qiqavik Property. Geological data indicate that gold mineralization at Qiqavik is structurally controlled and associated with porphyry intrusions in places. Typically, in structurally controlled gold deposits, the intensity of mineralization varies along the length of the structures with ore shoots focused in zones of dilation. Orford is currently analyzing airborne magnetic and field mapping data collected during the summer 2017 program to identify and locate sites of dilation along structures that were active at the time of gold mineralization in order to target significant gold mineralization accumulations.

Carolina Gold Belt

RNC, through TNN, acquired options to earn a 70% interest in both the the Jones-Keystone/Loflin, and Landrum-Faulkner gold properties in the Carolina Gold Belt, home to the Haile Mine. These options are now held by Orford Mining Corporation, in which the Corporation owns a majority equity interest. The current development of the +4 million ounce Haile gold mine in South Carolina by OceanaGold has re-focused attention on the Carolinas as a highly prospective, under-explored and development-friendly jurisdiction.

The disclosure in this MD&A of all Technical Information has been approved by Alger St-Jean, P.Geo., Vice President Exploration of the Corporation and Johnna Muinonen, P.Eng., Vice President Operations of the Corporation, both Qualified Persons under NI 43-101.

Outlook

The outlook and financial targets only relate to fiscal 2017. 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. For additional information on forward-looking information, refer to "Forward-Looking Information" in this MD&A. We may update our outlook depending on changes in metals prices and other factors.

Beta Hunt Mine 2017 Guidance

Due to slower than anticipated ramp-up during 2017, gold production guidance is lowered to 37,000-42,000 contained ounces from 50,000-60,000 ounces. Gold production is still expected to exit the year at an annualized production rate of approximately 70,000 contained ounces. With lower production for the year and production ramp up, guidance for AISC cash cost net of by-product credits for the year is increased to US$1,450-1,550 per ounce.

Cautionary Statement: The decision to produce at the Beta Hunt Mine was 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, including 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 that anticipated production costs will be achieved. Failure to achieve the anticipated production costs would have a material adverse impact on SLM's cash flow and future profitability. It is further cautioned that the PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. No mining feasibility study has been completed on Beta Hunt. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the PEA will be realized.

Reed Mine 2017 Guidance

Hudbay has not provided production guidance for the Reed Mine. The following information is RNC's management estimate of production and costs. In 2017, RNC expects its 30% share of production from the Reed Mine to be 4-5 kt of copper and 0.8-1.1 koz of gold. Production at Reed mine is expected to end in Q3 2018.

Dumont Nickel Project

The Magneto JV continues to explore all financing and partnership opportunities to allow Dumont to advance to construction when market conditions permit.

Orford Mining Corporation

RNC's has a majority equity interest in Orford which owns the Qiqavik Project in Northern Quebec. At Qiqavik, the 2017 field program began on July 19. This program consisted of diamond drilling of 2,723 metres in 23 holes, 721 line-kilometres of airborne (drone) magnetic surveying and 105.6 line-kilometres of Abitibi Geophysics ground OreVisionTM IP surveying, prospecting, mapping, surface rock sampling, and till sampling. This work led to better understanding of the occurrences discovered in 2016) and to the identification of many additional mineralized occurrences on the property, including two occurrences with visible gold.

The Corporation will continue to investigate acquisition opportunities of highly prospective assets, preferably cash-producing, to grow the business in base and platinum group metals. The Corporation will focus on jurisdictions where it believes the risk is manageable. RNC believes it can successfully implement its corporate strategy because of its unique strengths, depth of management experience and well-developed relationships in the minerals industry.

RESULTS OF OPERATIONS

Three months ended September 30, 2017, compared with three months ended September 30, 2016
The Corporation's net loss totalled $12.0 million for the three months ended September 30, 2017 (with basic and diluted loss per share of $0.04). This compares with a net loss of $4.8 million (with basic and diluted loss per share of $0.02) for the three months ended September 30, 2016. The net loss increase of $7.2 million is primarily due to the inclusion of SLM's gold operating activities effective July 1, 2017 upon the commencement of commercial production which had a loss of $4.9 million during the three months ended September 30, 2017. There was also an expense of $2.6 million with respect to an option to purchase the South Kalgoorlie Operations ("SKO") from Westgold Resources Limited ("Westgold"). In addition, there was an impairment charge of $1.9 million in respect of VMS properties during the three months ended September 30, 2017.

Excluding the above noted impairment charge, mining operations had a net loss of $3.1 million for the three months ended September 30, 2017, compared with net profits of $1.1 million for the three months ended September 30 2016, a $4.2 million variance. As noted above, the variance is primarily due to the Beta Hunt Gold operations which incurred a loss of $4.9 million in this first quarter since commercial production was declared effective July 1, 2017. The Beta Hunt nickel operation profit is in line with the prior year with a $0.1 million increase. The Reed Mine copper operation operating income of $1.6 million is $0.7 million higher than the comparative period in 2016 due to higher production and copper prices.

On September 30, 2017, the Corporation assessed its mineral property interests for impairment and the Corporation determined that the VMS properties were fully impaired as the Corporation considered that substantive exploration and evaluation expenditures were neither budgeted nor planned. Accordingly, at September 30, 2017, the Corporation recognized an impairment charge of $1.9 million for the VMS properties.

Nine months ended September 30, 2017, compared with nine months ended September 30, 2016
The Corporation's net loss totalled $11.4 million for the nine months ended September 30, 2017 (with basic and diluted loss per share of $0.04). This compares with a net loss of $12.3 million (with basic and diluted loss per share of $0.06) for the nine months ended September 30, 2016. The net loss decrease of $0.9 million is primarily due to the non-cash deferred tax recovery of $5.9 million during the first nine months of 2017 compared with a loss of $0.7 million in the same period of the prior year, a $6.6 million positive variance. The majority of the tax recovery relates to the transfer of the Dumont property to Magneto. Furthermore, the first nine months of 2016 had a non-recurring charge for acquisition costs associated with the SLM and VMS acquisitions of $2.7 million. Partially offsetting the positive tax recovery was the inclusion of SLM's gold operating activities effective July 1 ,2017 upon the commencement of commercial production which had a loss of $4.9 million during the nine months ended September 30, 2017. There was also an expense of $2.6 million with respect to an option to purchase SKO from Westgold. In addition, there was an impairment charge of $1.9 million in respect of VMS properties during the first nine months of 2017.

Excluding the above noted impairment charge, mining operations had a net loss of $4.4 million for the nine months ended September 30, 2017, compared with net profits of $3.9 million for the nine months ended September 30 2016, a $8.3 million variance. As noted above, the variance is primarily due to the $4.9 million loss from Beta Hunt Gold operations following declaration of commercial production, whereas the gold operating results were capitalized in the comparative period. The Beta Hunt nickel operation profit is $1.5 million lower in 2017 primarily due to a reduction in nickel production for the period ended September 30, 2017. The Reed Mine copper operation opering profit of $1.0 million was $1.5 million lower than the same period in 2016 primarily due to $1.9 million of amortization charged in 2017 based on the finalization of the VMS acquisition accounting and corresponding depreciation of the excess purchase price assigned to the VMS assets in the fourth quarter of 2016.

On September 30, 2017, the Corporation assessed its mineral property interests for impairment and the Corporation determined that the VMS properties were fully impaired as the Corporation considered that substantive exploration and evaluation expenditures were neither budgeted nor planned. Accordingly, at September 30, 2017, the Corporation recognized an impairment charge of $1.9 million for the VMS properties.

SUMMARY OF QUARTERLY RESULTS

Summary of Quarterly Results
(expressed in thousands of dollars except per share amounts)

	2017			2016				2015
	Q3	**Q2**	**Q1**	Q4	Q3	Q2	Q1	Q4
Revenues	$24,952	$11,489	$7,124	$9,423	$10,740	$11,066	$1,452	$-
Earnings (loss) attributable to RNC shareholders	$(11,953)	$4,999	$(4,422)	$(16,549)	$(4,789)	$(5,827)	$(1,696)	$(2,531)
Basic and diluted earnings (loss) per share attributable to RNC shareholders	$(0.04)	$0.02	$(0.02)	$(0.07)	$(0.02)	$(0.03)	$(0.01)	$(0.02)

Quarterly results will vary in accordance with the Corporation's results of mining operations, 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 interests write-offs had the most significant impact on the Corporation's quarterly results, followed by general and administrative expenses. It is likely that the Corporation's quarterly results will continue to fluctuate during the early stages of commercial production. Changes in the fair value of the derivatives are recorded in the consolidated statements of 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 dollars as well as its revenues being denominated in US dollars.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Sources and Uses of Cash (in thousands of dollars)	Three months ended, September 30, 2017	2016	Nine months ended September 30, 2017	2016
Cash used in operations prior to changes in working capital	**$(1,371)**	$(3,763)	**$(5,719)**	$(5,165)
Changes in non-cash working capital	**(2,253)**	2,058	**3,585**	3,688
Cash used in operating activities	**$(3,624)**	$(1,705)	**$(2,134)**	$(1,477)
Cash used in investing activities	**(8,914)**	(7,551)	**(1,724)**	(13,936)
Cash provided by financing activities	**9,576**	9,564	**20,577**	15,743
Change in cash and cash equivalents	**$(2,962)**	$308	**$16,719**	$330

Operating Activities

For the three months ended September 30, 2017, cash used by operating activities, prior to changes in non-cash working capital, of $1.4 million was less than the cash used in 2016 of $3.8 million. Although net losses were substantially higher in 2017 by $7.4 million, most of the 2017 loss increase related to non-cash expenses including depreciation ($3.7 million) and an impairment charge ($1.9 million). For the three months ended September 30, 2017, cash used by operating activities, including working capital, totaled $3.6 million compared with cash utilised by operations of $1.7 million in 2016, a $5.3 million variance. Working capital changes used cash of $2.3 million during the three months ended September 30, 2017 compared with cash provided of $2.1 million for the same period of 2016, a $4.3 million variance. The working capital movement for the three months ended September 30, 2017 is mostly related to higher inventory of $3.4 million. The increase in inventory is related to higher levels of gold due at the Beta Hunt mine due to the increased mining activities upon commercial production levels as of July 1, 2017.

For the nine months ended September 30, 2017, cash used by operating activities, prior to changes in non-cash working capital, of $5.7 million was only slightly higher than cash used during the same period of 2016 of $5.2 million. Working capital changes provided cash of $3.6 million during the nine months ended September 30, 2017 compared with cash provided of $3.7 million for the same period of 2016, a $0.1 million variance. The working capital movement for the nine months ended September 30, 2017 is mostly related to higher accounts payable and accrued liabilites ($3.6 million).

Investing Activities

For the three months ended September 30, 2017, total cash used in investing activities was $8.9 million compared with cash used in investing activities of $7.6 million in the same period of 2016, a $1.3 million variance which was due to the increased levels of spend during 2017 at the Beta Hunt mine.

For the nine months ended September 30, 2017, total net cash used in investing activities was $1.7 million compared with cash used in investing activities of $13.9 million in the same period of 2016, a $12.2 million decrease. The variance is primarily related to the net cash proceeds from the transfer of Dumont assets to the Magneto JV of $30.3 million. Partially offsetting was the higher expenditure on property, plant and equipment in 2017 of $16.7 million, most of which related to the Beta Hunt mine (see note 5 to the unaudited condensed consolidated interim financial statements).

Financing Activities
For the three months ended September 30, 2017, cash provided by financing activities of $9.6 million was in line with the prior year. The financing activities during the third quarter of 2017 include the issuance of a convertible debenture of US$4.0 million (CAD$4.8 million), issuance of an unsecured note payable of US$3.0 million ($3.8 million) issuance of $1.7 million shares by TNN and issuance of $1.6 million shares by the Corporation, partially offset by loan and lease repayments totalling $2.2 million.

For the nine months ended September 30, 2017, cash provided by financing activities of $20.6 million was higher than the same period of 2016 by $4.9 million. The financing activities during the nine months ended September 30, 2017 include the issuance of convertible debentures of US$14.0 million (CAD$18.0 million), issuance of an unsecured note payable of US$3.0 million ($3.8 million) issuance of $1.7 million shares by TNN and issuance of $1.6 million shares by the Corporation, partially offset by loan and lease repayments totalling $5.4 million.

As a result of the foregoing activities, for the first nine months ended September 30, 2017, the net cash provided by operating, investing and financing activities was $16.7 million compared with $0.3 million during the same period of 2016.

Liquidity and Capital Resources

(in thousands of dollars)	**September 30, 2017**	December 31, 2016
Cash and cash equivalents	**$21,564**	$4,845
Working capital deficit[1]	**$(13,045)**	$(26,243)
Mineral property interests	**$48,031**	$72,886
Property. Plant and equipment	**$81,974**	$65,969
Total assets	**$166,799**	$159,292
Shareholders' equity	**$84,885**	$87,869

1. Working capital deficit is a measure of current assets (Including cash and cash equivalents) less current liabilities.

In 2016, the Corporation issued debt, secured advance sales arrangements and working capital financing facilities to finance the VMS and SLM business activities and repay the existing debt arrangements. Reference is made to notes 5, 10 and 11 of the 2016 audited consolidated financial statements for a description of the working capital financing, long-term debt paid and refinanced and deferred revenue arrangements. During the first nine months of 2017, an additional US$5.8 million (CAD$7.7 million) was drawn under the Senior Copper Loan facility and Convertible debentures were issued in the amount of US$14 million (CAD$18.0 million). Reference is made to note 8 of the unaudited condensed consolidated interim financial statements ended September 30, 2017.

On June 7, 2017, the Corporation entered into a US$10 million four-year senior secured convertible term debt facility (the "Facility") with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Offshore Master, LP (collectively, "Waterton"). The Facility bears interest at a rate of 10% per annum, payable quarterly. Waterton has the right to convert all or a portion of the amounts owing under the Facility into (i) shares of the Corporation at $0.2491 per share up to a maximum of 75% of the principal amount (US$7.5 million), or (ii) units of Magneto Investments Limited Partnership, the recently established nickel joint venture (the "Magneto JV") that is 50% owned by the Corporation and 50% owned by Waterton (a "Unit Conversion"). The valuation basis for any Unit Conversion would be the Corporation's 50% share of the value of the Dumont project held by the Magneto JV (100% of which was valued at US$45 million) plus any completed investments that are funded by the US$30 million of committed Magneto JV capital that is utilized for nickel asset acquisitions. In the event that the Corporation receives notice of a planned Unit Conversion in excess of

US$4.5 million of principal, the Corporation would have the right to prepay such excess principal amount plus applicable pre-payment fees.

On September 19, 2017, the Corporation issued a convertible debenture in the amount of US$4,000 ($4,911) to Pala Investments Limited. The debenture bears interest at a rate of 15% per annum, compounded quarterly, and payable at the end of the eighteen-month term. The debenture is convertible at the holder's option into common shares of the Corporation at any time prior to the close of business on the earlier of the maturity date and the business day immediately preceding the date fixed for redemption thereof, at the conversion price of $0.2537 for one common share.

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.

As at September 30, 2017, the Corporation had a working capital deficit of $13.0 million compared to a $26.2 million deficit as at December 31, 2016. The increase in cash and the decrease in working capital deficit of $13.2 million primarily reflects the impacts of the sale of Dumont to Magneto and the cash flows from the issuance of convertible debentures. Partially offsetting were the cash flows incurred for the ongoing activities at SLM to achieve commercial level of gold production. Commercial production was announced during June 2017.

As at September 30, 2017 the Corporation had cash and cash equivalents of $21.6 million, of which $21.2 million is dedicated to the Magneto JV. Management estimates that these funds will not be sufficient to fund the advancement of exploration properties, Beta Hunt mine development and general and administrative expenses for the ensuing twelve months. Until such time that financing becomes available on acceptable terms, the Corporation has taken action to limit the ongoing exploration and evaluation work and reduce its operating costs. Accordingly, these conditions indicate the existence of material uncertainties that cast significant doubt upon the Corporation's ability to continue as a going concern. The Corporation's ability to continue future operations and fund its exploration, evaluation, development and acquisition activities is dependent on management's ability to secure additional financing in the future, which may be completed in a number of ways including, but not limited to, the issuance of debt or equity instruments, expenditure reductions, or a combination of strategic partnerships, joint venture arrangements, project debt finance, offtake financing, royalty financing and other capital markets alternatives. While management has been successful in securing financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available on terms which are acceptable to the Corporation.

The Corporation's financial instruments credit risk is minimal as, in accordance with the Corporation's investment policy, excess cash is principally invested in high interest savings accounts at major Canadian and Australian banks.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Corporation does not have any off balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

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 make disclosure in respect of any such opportunity if and when required under applicable securities rules. Reference is made to the TNN transaction described under the subsequent events section of this MD&A.

EVENTS SUBSEQUENT TO SEPTEMBER 30, 2017

On October 20, 2017, Focused shareholders approved the Amalgamation Agreement and RTO.

On October 20, 2017, TNN closed the July 25, 2017 and September 15, 2017 private placements and received net proceeds of $2,422.

On October 23, 2017, the RTO and amalgamation closed. Through a series of transactions, TNN and Focused Subco amalgamated and was renamed Orford Mining Limited, a wholly-owned subsidiary of Orford Mining Corporation, Focused was renamed Orford Mining Corporation and became a 55%-owned subsidiary of the Corporation.

OUTSTANDING SHARE DATA

As at November 14, 2017, the Corporation had 307,838,676 common shares issued and outstanding.

As at November 14, 2017, the Corporation had the following securities outstanding, which are exercisable for common shares:

	Number of Securities	Weighted Average Exercise Price
Stock options	26,795,529	$0.38
Warrants	27,403,211	$0.40
Compensation warrants	1,451,805	$0.41

As at November 14, 2017, the Corporation had the following securities outstanding, which are redeemable, at the option of the holder, in cash or common shares:

	Number of Securities
Deferred share units	1,097,343
Restricted share units	4,377,138

Under the agreement dated March 8, 2007, pursuant to which Royal Nickel acquired a 100% interest in the Marbaw Mineral Claims, the Corporation is required to issue 7,000,000 common shares in RNC to Marbaw upon the property being placed into commercial production or upon transfer (including through a merger, consolidation or asset purchase) of the property to a third party.

On June 7, 2017 RNC closed a US$10 million four-year Senior Secured Convertible Term Debt Facility (the “Facility”) with Waterton Precious Metals Fund II Cayman, LP and Waterton Mining Parallel Fund Offshore Master, LP (collectively, "Waterton"). Assuming maximum conversion of 75% of US$10M principal into RNC common shares the Corporation would be required to issue 39,225,941 common shares in RNC to Waterton (USD/CAD exchange rate as at June 7, 2017).

On September 18, 2017, the Corporation closed a US$4 million eighteen-month Convertible Term Debt Facility with Pala Investments Limited. Assuming full share conversion of all principal and interest, the Corporation would be required to issue 23,961,556 common shares to Pala (based on USD/CAD exchange rate on September 18, 2017).

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 unaudited condensed consolidated interim 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, 2016.

There were no changes to the accounting policies applied by the Corporation to its 2017 quarterly unaudited condensed interim consolidated financial statements, compared to those applied by the Corporation to the consolidated financial statements for the year ended December 31, 2016 with exception to the new accounting policies highlighted in note 2 of the condensed consolidated interim financial statements for September 30, 2017

DISCLOSURE CONTROLS AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Chief Executive Officer ("**CEO**") and the Chief Financial Officer ("**CFO**") of the Corporation are responsible for establishing and maintaining the Corporation's disclosure controls and procedures ("**DCP**") including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release. The CEO and the CFO are also responsible for the design of internal controls over financial reporting ("**ICFR**"). The CEO and CFO evaluated whether there were changes to the ICFR during the three months ended September 30, 2017 that have materially affected, or are reasonably likely to affect, the ICFR. The CEO and CFO concluded there were no material changes to the ICFR during the three months ended September 30, 2017.

RISK FACTORS

The Corporation is subject to a number of risks and uncertainties. The risk factors are discussed in the Corporation's most recent Annual Information Form on file with Canadian provincial regulatory authorities, available at www.sedar.com.

NON-IFRS MEASURES

This MD&A refers to cash operating cost, cash operating cost per tonne, cash operating cost per ounce, gold mining cash cost per ounce, gold cash cost per ounce after by-product credits, all-in sustaining cost, adjusted loss and adjusted EBITDA 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 2016, the Corporation commenced transitioning from the exploration and evaluation stage into a nickel, copper and gold producer. During 2016, the Corporation acquired the Beta Hunt Mine and commenced reporting its nickel and gold production and acquired 30% of the Reed Lake Mine and commenced reporting its copper production. The Beta Hunt Mine is also transitioning from a nickel producer to a gold and nickel producer. As a result, the 2017 results will not be directly comparable to the prior or future years.

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

Cash Operating Cost

The Corporation uses this measure internally to evaluate the underlying operating performance of the Corporation. Management believes that providing cash operating cost allows the ability to better evaluate the results of the underlying Beta Hunt and Reed Mine businesses of the Corporation.

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Nickel (in thousands of dollars except per tonne or per lb.)			
Tonnes of nickel mineralization processed	10,168	9,621	6,837
Production and toll-processing costs (including general and administrative related to production)	$1,181	$1,522	$666
Royalty expense	298	69	230
Operating costs (related to tonnes processed) (CDN$)	$1,479	$1,591	$896
Average exchange rate (CDN$1 – US$)	0.80	0.74	0.75
Cash operating cost (US$)	$1,181	$1,183	$674
Cash operating cost (per tonne processed) (US$)	$116	$123	$99
Tonnes of nickel sold (payable)	157	162	103
Cash operating cost (US$)	$1,181	$1,183	$674
Cash operating cost (per tonne sold) (US$)	$7,499	$7,293	$6,541
Cash operating cost (per lb. sold) (US$)	$3.40	$3.31	$2.97

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Gold (in thousands of dollars except per tonne or per ounce)			
Tonnes of gold mineralization processed	182,322	98,140	114,330
Production and toll-processing costs (including general and administrative related to production)[1]	$14,629	$13,019	$12,213
Royalty expense	1,427	622	1,323
Operating costs (related to tonnes processed) (CDN$)	$16,056	$13,641	$13,536
Average exchange rate (CDN$1 – US$)	0.80	0.74	0.75
Cash operating cost (US$)	12,818	$10,144	$10,178
Cash operating cost (per tonne processed)	$70	$103	$89
Ounces of gold sold / payable	8,659	5,891	6,132
Cash operating cost (US$)	$12,818	$10,144	$10,178
Cash operating cost (per ounce sold)	$1,480	$1,722	$1,660

Gold mining cash cost per ounce

Gold mining cash cost per ounce represents production costs, excluding toll-processing and royalties, on a per recoverable ounce mined. Management believes that providing gold mining cash cost per ounce allows the ability to measure the efficiency of mining, as it is not impacted by the timing of tolling campaigns or delivery of refined ounces.

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Gold (in thousands of dollars except per tonne or per ounce)			
Recoverable gold mined (ounces) [1]	9,480	7,544	5,042
Production costs (CDN$)	$9,551[2]	$12,287[3]	$11,193[4]
Average exchange rate (CDN$1 – US$)	0.80	0.74	0.75
Cash cost mined (US$)	$7,625	$9,137	$8,416
Gold mining cash cost per ounce (US$ per ounce mined)	$804	$1,211	$1,669

1. Recoverable gold mined is computed at an average recovery rate of 90% of gold mined ounces
2. Operating costs less tolling ($5,078) and royalty costs ($1,427).
3. Operating costs less tolling ($3,721) and royalty costs ($622) plus typical inventory adjustments ($2,989).
4. Operating costs less tolling ($2,618) and royalty costs ($1,323) plus typical inventory adjustments ($1,598).

Gold cash cost per ounce after by-product credits

The Corporation computes gold cash costs per ounce after by-product credits by combining cash costs of both gold and nickel production to determine cash cost before by-product credits, then deducting nickel revenue from those costs.

	Three Months Ended September 30,2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Gold cash cost per ounce after by-product credits (in thousands of dollars except per tonne or per ounce)			
Tonnes of gold mineralization processed	182,322	98,140	114,330
Cash cost, before by-product credits			
Production and toll-processing costs (including general and administrative related to production)[1]	$15,810	$14,541	$12,879
Royalty expense	1,725	691	1,553
Cash cost, before by-product credits (related to tonnes processed) (CDN$)	$17,535	$15,232	$14,432
Total by-product credits, net of pre-production credits	$1,941	$1,864	$1,002
Cash cost, after by-product credits (related to tonnes processed) (CDN$)	$15,594	$13,368	$13,430
Average exchange rate (CDN$1 – US$)	0.80	0.74	0.75
Cash cost, after by-product credits (US$)	$12,457	$9,940	$10,099
Cash cost, after by-product credits (per tonne processed)	$68	$101	$88
Ounces of gold sold / payable	8,659	5,891	6,132
Cash cost, after by-product credits (US$)	$12,457	$9,940	$10,099
Cash operating cost, after by-product credits (per ounce sold)	$1,439	$1,687	$1,647

All-in Sustaining Cost

All-in sustaining cost represents cash operating cost plus corporate general and administrative costs ("G&A") plus sustainable capital expenditures. For the three months ended September 30, 2017, $3.2 million and $1.3 million of gold and nickel additions to property, plant and equipment, respectively, were excluded in the determination of sustainable capital expenditures because they related to areas of the mines which were not currently in production.

	Three Months Ended September 30,2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Nickel (in thousands of dollars except per tonne or per lb.)			
Tonnes of nickel sold (payable)	157	162	103
Cash operating cost (US$)	$1,181	$1,183	$674
General and administration – corporate (US$)	15	301	8
Sustaining capital expenditures (US$)	-	-	-
All-in sustaining cost (US$)	$1,196	$1,484	$682
All-in sustaining cost (per tonne sold) (US$)	$7,596	$9,150	$6,618
All-in sustaining cost (per lb sold) (US$)	$3.45	$4.15	$3.00

Gold (in thousands of dollars except per tonne or per ounce)			
Ounces of gold sold	8,659	5,891	6,132
Cash operating cost (US$)	$12,818	$10,144	$10,178
General and administration – corporate (US$)	111	-	59
Sustaining capital expenditures (US$)	1,001	277	165
All-in sustaining cost (US$)	$13,930	$10,421	$10,402
All-in sustaining cost (per ounce sold) (US$)	$1,609	$1,769	$1,697

All-in Sustaining Cost after by-product credits

All-in sustaining cost represents cash operating cost net of by-product credits plus G&A plus sustainable capital expenditures. For the three months ended September 30, 2017, $3.2 million gold additions to property, plant and equipment were excluded in the determination of sustainable capital expenditures because they related to areas of the mines which were not currently in production.

Gold (in thousands of dollars except per tonne or per ounce)	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Ounces of gold sold	8,659	5,891	6,132
Cash operating cost net of by-product credits (US$)	$12,457	$9,940	$10,099
General and administration – corporate (US$)	126	301	67
Sustaining capital expenditures (US$)	1,001	277	165
All-in sustaining cost net of by-product credits (US$)	$13,584	$10,518	$10,331
All-in sustaining cost net of by-product credits (per ounce sold) (US$)	$1,569	$1,786	$1,685

The Corporation's Reed Mine operation (30% interest) relates to the extraction of copper metal, for which cash operating costs are disclosed below:

	Three Months ended September 30, 2017	Three Months ended June 30, 2017	Three Months ended March 31, 2017
Copper (thousands of dollars except per tonne or per lb.)			
Tonnes of copper ore processed	35,261	36,334	35,861
Mining costs	$2,937	$3,138	$2,874
Transport	781	1,100	368
Milling costs	1,756	2,518	2,197
General and administration related to production	202	234	201
Operating costs, before by-product credits (CDN$)	$5,675	$6,990	$5,640
By-product credits	(710)	(660)	(738)
Operating costs, net of by-product credits (CDN$)	$4,965	$6,330	$4,902
Average exchange rate (CDN$1 – US$)	0.80	0.74	0.75
Cash operating cost (US$)	$3,965	$4,702	$3,706
Cash operating cost (per tonne processed) (US$)	$112	$129	$103
Tonnes of copper sold (payable)	1,163	1,354	816
Cash operating cost (US$)	$3,965	$4,702	$3,706
Cash operating cost (per tonne sold) (US$)	$3,409	$3,474	$4,542
Cash operating cost (per lb. sold) (US$)	$1.55	$1.58	$2.06

All-in Sustaining Cost

All-in sustaining cost represents cash operating cost plus corporate G&A plus sustainable capital expenditures

	Three Months Ended September 30, 2017	Three Months Ended June 30, 2017	Three Months Ended March 31, 2017
Copper (in thousands of dollars except per tonne or per lb.)			
Tonnes of copper sold (payable)	1,163	1,354	816
Cash operating cost (US$)	$3,965	$4,702	$3,706
General and administration – corporate (US$)	14	24	28
Sustaining capital expenditures (US$)	39	229	38
All-in sustaining cost (US$)	$4,018	$4,955	$3,772
All-in sustaining cost (per tonne sold) (US$)	$3,456	$3,660	$4,622
All-in sustaining cost (per lb sold) (US$)	$1.57	$1.66	$2.10

Adjusted Loss for the Period

Management believes that Adjusted Loss for the Period is an important indicator of operating results across the Corporation and uses the measure to assess financial performance.

Adjusted Loss for the Period is the sum of loss for the period reported in RNC's unaudited condensed consolidated interim financial statements and the gold profit or loss capitalized to Property, Plant and Equipment as well as other items such as acquisition costs and the impacts of foreign exchange translation. This measure reflects the loss for the period as if Beta Hunt had been in commercial gold production since acquisition.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in thousands of dollars)	**2017**	2016	**2017**	2016
Loss for the period – as reported	**$(12,347)**	$(4,916)	**$(11,855)**	$(11,489)
Net loss from gold operations capitalized	**-**	750	**(20,642)**	(261)
Gain on disposal of the Dumont property	**-**	-	**(1,216)**	-
Non-cash impairment charge	**1,923**	-	**1,923**	-
Acquisition costs	**-**	77	**-**	2,650
Change in fair value – senior secured facility	**-**	2,195	**-**	4,082
Accretion – long-term debt	**312**	836	**637**	1,596
Foreign exchange loss (gain)	**406**	190	**772**	(140)
Adjusted Loss for the Period	**$(9,706)**	$(868)	**$(30,381)**	$(3,562)
Weighted average number of shares	**303,518,313**	248,843,672	**285,474,064**	197,072,032
Adjusted Loss per share	**$(0.03)**	$(0.00)	**$(0.11)**	$(0.02)

Adjusted EBITDA and Adjusted EBITDA per share

Management believes that EBITDA and Adjusted EBITDA 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 financing activities, depreciation and amortization, and taxes, 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 loss and comprehensive loss: deferred income tax expense (recovery); other expense (income), net; depreciation and amortization; one time costs (acquisition costs); and share-based payments and includes depreciation and amortization on gold property plant and equipment and pre-commercial gold cost of sales net of gold revenue.

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of dollars)	**2017**	2016	**2017**	2016
Loss for the period	**$(12,347)**	$(4,916)	**$(11,855)**	$(11,489)
Deferred income tax expense (recovery)	**329**	440	**(5,935)**	722
Other expenses, net	**5,761**	3,925	**7,682**	6,463
Non-cash share-based payments	**309**	227	**247**	1,974
Non-cash impairment charge	**1,923**	-	**1,923**	-
Depreciation and amortization	**5,347**	1,671	**11,034**	3,604
EBITDA	**1,322**	1,347	**3,096**	1,274
Pre-commercial (gold cost of sales in excess of gold revenue) gold revenue in excess of cost of sales	**-**	750	**(20,642)**	(261)
Depreciation and amortization on gold property, plant and equipment	**-**	831	**8,767**	1,792
Acquisition costs	**-**	77	**-**	2,650
Adjusted EBITDA	**$1,322**	$3,005	**$(8,779)**	$5,455
Weighted average number of common shares	**303,518,313**	248,843,672	**285,474,064**	197,072,032
Adjusted EBITDA per share	**$0.00**	**$ 0.01**	**($0.03)**	$0.03

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 Reed mines, 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 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; 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 most recent Annual Information Form. 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 RNC's expectations; foreign exchange rates; prices and availability of equipment; that contracted parties provide goods and/or services on the agreed timeframes; 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 progress 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. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

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

This MD&A uses the terms "measured" and "indicated" mineral resources and "inferred" 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 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.