

ROYAL NICKEL CORPORATION

NOTICE AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 18, 2016

APRIL 18, 2016

ROYAL NICKEL CORPORATION
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting (the "**Meeting**") of shareholders of Royal Nickel Corporation (the "**Corporation**") will be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, Toronto, Ontario on May 18, 2016 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2015, together with the auditors' report thereon;

2. to elect the directors of the Corporation;

3. to appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;

4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution substantially in the form of Resolution #1 that is included in Appendix B to the accompanying management information circular, to authorize the issuance of up to 25,622,213 common shares of the Corporation upon the exercise by the Corporation of its option to acquire the remaining 34% of the outstanding ordinary shares of Salt Lake Mining Pty Ltd. not currently owned by the Corporation;

5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution substantially in the form of Resolution #2 that is included in Appendix B to the accompanying management information circular, to approve unallocated entitlements under the Corporation's share incentive plan; and

6. to transact such other business as may properly come before the Meeting or any postponement or adjournment thereof.

The accompanying management information circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice. If you are not able to be present at the Meeting, please exercise your right to vote by signing and returning the enclosed form of proxy, if by mail or delivery, to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attention: Proxy Department, so as to arrive not later than 10:00 a.m. (Toronto time) on the second business day preceding the date of the Meeting or any postponement or adjournment thereof. The time limit for the deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice. You may also vote by telephone or via the Internet by following the instructions on the form of proxy. If you vote by telephone or via the Internet, completion or return of the proxy form is not needed. If you execute the form of proxy you may still attend the Meeting. Only registered shareholders and duly appointed proxyholders may vote in person at the Meeting.

BY ORDER OF THE BOARD

(signed) Mark Selby

Toronto, Ontario
April 18, 2016

Mark Selby
President and Chief Executive Officer

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ROYAL NICKEL CORPORATION

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (this "Circular") is furnished in connection with the solicitation by management of Royal Nickel Corporation ("RNC" or the "Corporation") of proxies to be used at the annual and special meeting (the "Meeting") of the shareholders of the Corporation to be held at the offices of Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, Toronto, Ontario on May 18, 2016 at 10:00 a.m. (Toronto time), and at all postponements or adjournments thereof, for the purposes set forth in the notice of the Meeting that accompanies this Circular (the "Notice of Meeting"). It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or regular employees of the Corporation. Such persons will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The total cost of the solicitation will be borne directly by the Corporation.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons specified in such form of proxy to attend and act on behalf of such shareholder at the Meeting.** Such right may be exercised by striking out the names of the persons specified in the form of proxy, inserting the name of the person to be appointed in the blank space provided in the form of proxy, signing the form of proxy and returning it in the manner set forth in the form of proxy.

A shareholder who has given a proxy may revoke it (i) by depositing an instrument in writing, including another completed form of proxy, executed by such shareholder or shareholder's attorney authorized in writing either at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment or postponement thereof, or with the chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment or postponement thereof, or (ii) in any other manner permitted by law.

Exercise of Discretion

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed by proxy on any ballot that may be called for in accordance with the instructions contained therein. If the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **In the absence of such specifications, such shares will be voted FOR each of the matters referred to herein.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to or variations of matters identified in the Notice of Meeting and with respect to other matters, if any, which may properly come before the Meeting. At the date of the Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxy.

The time limit for the deposit of proxies may be waived or extended by the chairman of the Meeting at his discretion, without notice.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many holders of common shares, as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. More particularly, a person is a Beneficial Shareholder in respect of common shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of the common shares (intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**")), of which the intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS, which acts as nominee for many Canadian brokerage firms. Common shares held by brokers or their nominees can only be voted upon the instructions of the Beneficial Shareholder. Without specific voting instructions, brokers and their nominees are prohibited from voting common shares held for Beneficial Shareholders. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or that the common shares are duly registered in their name.**

Applicable Canadian securities regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting.

In Canada, the majority of brokers now delegate responsibility for obtaining voting instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions ("**Broadridge**"). Broadridge typically supplies a voting instruction form and asks Beneficial Shareholders to return the completed forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving such a form from Broadridge cannot use that form to vote common shares directly at the Meeting. The form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.**

In addition, the Corporation has decided to take advantage of certain provisions of applicable securities regulatory requirements that permit it to deliver meeting materials directly to non-objecting beneficial owners. These materials are being sent to both registered and non-registered owners of common shares. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of common shares have been obtained in

accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, you can expect to receive a scannable voting instruction form ("**VIF**") from the Corporation's transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**"). These VIFs are to be completed and returned to the Transfer Agent in the envelope provided. In addition, the Transfer Agent provides both telephone voting and Internet voting as described on the VIF. The Transfer Agent will tabulate the results of the VIFs received and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

Record Date

The directors have fixed April 18, 2016, as the record date for the determination of shareholders entitled to receive notice of the Meeting. Only shareholders of record on such record date are entitled to vote at the Meeting.

Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of special shares, issuable in series. As of the date of this Circular, there were 163,482,902 common shares and nil special shares of the Corporation issued and outstanding. Each holder of common shares as of the record date is entitled to one vote in respect of each common share held by such holder.

To the knowledge of the directors and executive officers of the Corporation, based on publicly available information as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, common shares carrying 10% or more of the voting rights attached to common shares of the Corporation.

Interest of Certain Persons in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of common shares or otherwise, of any director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, of any proposed nominee for election as a director of the Corporation, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting (other than the election of directors).

Information Incorporated by Reference

This Circular incorporates by reference information disclosed in the annual information form of the Corporation dated as of March 31, 2016 (the "**Annual Information Form**"), which is available on SEDAR at www.sedar.com. Upon request, the Corporation will promptly provide a copy of the Annual Information Form free of charge to a shareholder of the Corporation.

BUSINESS OF THE MEETING

1. Election of Directors

Management Nominees

The Articles of Incorporation and Bylaws of the Corporation provide its board of directors (the "**Board**") be comprised of a minimum of three directors and a maximum of ten directors. At the Meeting, it is proposed that the six directors whose names are set forth below be elected to the Board. Each nominee for election as a director is currently a director of the Corporation. All directors elected will hold office until the next annual and special meeting of shareholders of the Corporation or until their successors are elected or appointed.

On November 9, 2012, the Board approved in principle the adoption of a majority voting policy relating to the election of directors and on March 26, 2013, the Board adopted a majority voting policy. The policy stipulates that, except in a contested meeting, if a director nominee receives a greater number of votes withheld for his or her election than votes for his or her election, the nominee will submit his or her resignation promptly after the Meeting. Within 90 days of the Meeting, the Corporate Governance and Nominating Committee will make a recommendation to the Board, and the Board's decision to accept or reject the resignation offer will be disclosed to the public. Subject to certain exceptions, the nominee will not participate in any committee or Board deliberations on the resignation offer. The Corporation is entitled to nominate only those candidates for election or re-election as directors who agree, prior to their nomination, to tender their resignations in accordance with the terms of the policy. Each of the proposed nominees listed in the table below has agreed to comply with the terms of the policy.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting for one or more nominees in the election of directors, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the nominees whose names are set forth below.

The following table sets forth with respect to each of the persons proposed to be nominated for election as directors the name; province/state and country of residence; the present principal occupation, business or employment; a brief biographical description; the date on which the person became a director of the Corporation; the person's independence as a member of the Board; committee membership; attendance at meetings of the Board; the number of common shares of the Corporation beneficially owned, or controlled or directed, directly or indirectly; the number of stock options and other share-based awards held, all as at the date hereof.

Nominees for Election as Directors	Number of Common Shares [(1)]	Number of Options[(2)]	Number of Awards[(3)]
PETER GOUDIE New South Wales, Australia Director since July 17, 2008 Independent Committee membership: Audit Committee; Human Resources and Compensation Committee Board meetings attended in 2015: 100% (14 of 14)	923,850	670,000	69,000 DSUs 102,000 SARs 277,918RSUs
	Mr. Goudie was Executive Vice President (Marketing) of Inco Limited and then Vale (formerly Vale Inco) from January 1997 to February 2008. Mr. Goudie was also responsible for the strategy, negotiation, construction and operation of Inco's joint venture production projects in Asia. He was employed with Inco since 1970 in increasingly more senior accounting and financial roles in Australia, Indonesia, Singapore and Hong Kong, before becoming Managing Director (later President and Managing Director) of Inco Pacific Ltd. in Hong Kong in 1988. He is an Australian CPA.		
SCOTT M. HAND Ontario, Canada Director since June 27, 2008 Independent Executive Chairman Committee membership: Corporate Governance and Nominating Committee Board meetings attended in 2015: 100 % (14 of 14)	2,000,000	1,005,000	521,343 DSUs 153,000 SARs 652,024RSUs
	Mr. Hand is the Executive Chairman of the Corporation, a position held since November 2009, and a director of Legend Gold Corp. and Chinalco Mining Corporation International. Mr. Hand also serves on the boards of Boyd Technologies LLC (non-woven materials), Universal Helicopters Newfoundland and Labrador LP (a Labrador Inuit controlled company), the Massachusetts Museum of Contemporary Art and a number of private companies in the mineral resource sector. Mr. Hand was the Chairman and Chief Executive Officer of Inco from April 2002 until he retired from Inco in January 2007. Prior to that, Mr. Hand was President of Inco and held positions in Strategic Planning, Business Development and Law. Mr. Hand received a Bachelor of Arts from Hamilton College and a Juris Doctorate from Cornell University.		
PETER C. JONES Alberta, Canada Director since November 17, 2008 Independent Committee membership: Audit Committee; Corporate Governance and Nominating Committee; Health, Safety and Environment Committee Board meetings attended in 2015: 93 % (13 of 14)	65,250	670,000	69,000 DSUs 102,000 SARs 291,834RSUs
	Mr. Jones is a director of a number of companies, including Lundin Mining Corporation. Prior to 2007 he was President, Chief Operating Officer and a director of Inco Limited, and before that President and Chief Executive Officer of Hudson Bay Mining and Smelting Co. Ltd. Mr. Jones has over 40 years of international mining experience.		
FRANK MARZOLI Quebec, Canada Director since May 11, 2007 Independent Committee membership: Corporate Governance and Nominating Committee; Health, Safety and Environment Committee Board meetings attended in 2015: 100 % (14 of 14)	4,447,500[(4)]	720,000	69,000 DSUs 102,000 SARs 220,460RSUs
	Mr. Marzoli is the President, Chief Executive Officer and Chairman of Marbaw International Nickel Corporation, a position held since December 2006. He is also the President, Chief Executive Officer and sole director of Marzcorp Oil & Gas Inc. since July 2008. Marbaw held a 100% interest in the Marbaw Claims, which were sold to RNC in March 2007. In 1971, Mr. Marzoli joined the import business specializing in Asian countries. In 2004, Mr. Marzoli left the import business to pursue the resource sector full time.		

Nominees for Election as Directors	Number of Common Shares [(1)]	Number of Options[(2)]	Number of Awards[(3)]
GILLES MASSON Quebec, Canada Director since August 15, 2007 Independent Committee membership: Audit Committee; Human Resources and Compensation Committee Board meetings attended in 2015: 100 % (14 of 14)	125,000	720,000	69,000 DSUs 102,000 SARs 303,999RSUs
	Mr. Masson is a director of Semafo Inc. Mr. Masson worked for PricewaterhouseCoopers LLP from June 1969 until December 2005 when he retired as a partner in the auditing department. Over the course of his 36-year career, his clientele consisted of large national and international corporations operating in diverse fields. He has vast experience in the auditing of public corporations as well as in-depth knowledge of GAAP. His knowledge and experience also extend to regulations applicable to the presentation of financial information by public corporations. He is a certified director by the Institute of Corporate Directors. He obtained a Bachelor in Commerce in 1969 and a diploma in General Accounting in 1971 from the École des hautes études commerciales de Montréal. He has been a member of the Ordre des comptables agréés du Québec since 1972.		
DONALD MCINNES Vancouver, British Columbia Director since June 18, 2014 Independent Committee membership: Human Resources and Compensation Committee, and Health, Safety and Environment Committee Board meetings attended in 2015: 93% (13 of 14)	1,209,786	482,490	235,830RSUs
	Mr. McInnes has more than 30 years' experience in natural resource development, including as founder of Kutcho Copper Corp. (formerly Western Keltic Mines Inc.) and Plutonic Power Corp., a renewable power development company with a broad portfolio of clean energy projects. Mr. McInnes is currently Vice-Chairman of Alterra Power Corp, and a cofounder of Oxygen Capital Corp. He is a Director of Pilot Gold and True Gold Mining and is a Director and former Chairman of the Board of Prostate Cancer Canada. Mr. McInnes is also a past President and Director of the AMEBC, past Director of the PDAC, a past Governor of the Business Council of British Columbia and former Chairman of the Clean Energy Association of British Columbia.		

Notes:

(1) The information as to the number of common shares beneficially owned, or controlled or directed, directly or indirectly, by the directors, including those which are not registered in their names and not being within the knowledge of the Corporation, has been furnished by such directors.
(2) For additional information regarding options held by directors, please see "Statement of Executive Compensation – Director Compensation".
(3) For additional information regarding awards held by directors, please see "Statement of Executive Compensation – Director Compensation".
(4) Held through Marbaw International Nickel Corporation, of which Mr. Marzoli is President, CEO and Chairman.

Scott M. Hand was a director of Royal Coal Corp. during the period from August 2010 until May 2012. On May 3, 2012, a cease trade order was issued against Royal Coal Corp. by the Ontario Securities Commission for failure to file annual financial statements. On May 17, 2012, Royal Coal Corp. announced that it received notice from the TSX Venture Exchange that the TSX Venture Exchange had suspended trading in Royal Coal Corp.'s securities as a result of the cease trade order.

Peter C. Jones was a director of Lakota Resources Inc. between September 2008 and October 2009. In May 2009 and August 2009, cease trade orders were issued against Lakota for failure to file annual and interim financial statements. On July 13, 2009, Lakota's common shares were delisted from the TSX Venture Exchange for failure to maintain listing requirements. On August 4, 2009, Lakota initiated proposal proceedings pursuant to the Bankruptcy and Insolvency Act (Canada), and a proposal was approved by the Ontario Superior Court of Justice on August 4, 2009. The cease trade orders were revoked in 2011.

Gilles Masson was a director of Malaga Inc. during the period from November 2009 until June 2013. In June 2013, Malaga filed a notice of intention to make a proposal pursuant to the provisions of Part III of the *Bankruptcy and Insolvency Act* (Canada). Pursuant to the notice of intention, Raymond Chabot Inc. has been appointed as the trustee in Malaga's proposal proceedings and in that capacity is monitoring and assisting Malaga in its restructuring efforts. These proceedings have the effect of imposing an automatic stay of proceedings that will protect Malaga and its assets from the claims of creditors and others while Malaga pursues its restructuring efforts. Malaga submitted a proposal dated October 4, 2013 to its creditors; such proposal was accepted by the creditors pursuant to a vote held on December 13, 2013 and approved by judgment of the Superior Court rendered on January 7, 2014.

Shareholder Nominees

Pursuant to section 5.10 of the Corporation's By-Law No. 2 (the "**Advance Notice By-Law**"), nominations by shareholders for the election of directors at the Meeting (other than nominations by shareholders pursuant to a shareholder proposal or a requisitioned meeting), are to be received by the Corporation by 5:00 p.m. (Toronto time) on April 19, 2016.

2. Appointment of Auditors

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, who were first appointed as auditors of the Corporation on May 25, 2009.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be withheld from voting in the appointment of auditors, the persons named in the enclosed form of proxy intend to vote FOR the appointment of PricewaterhouseCoopers LLP, as auditors of the Corporation to hold office until the next annual and special meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors.

Disclosure of fees received by PricewaterhouseCoopers LLP and its affiliates from the Corporation for the financial years ended December 31, 2015, and December 31, 2014, is set out under the heading "Audit Committee Information – External Audit Fees" in the Corporation's Annual Information Form which is available on www.sedar.com.

3. Approval of Share Issuance

On February 1, 2016, RNC announced that it had agreed to acquire a controlling interest in Salt Lake Mining Pty Ltd. ("**SLM**"). SLM, which is a private company formed in the State of Western Australia, owns a 100% interest in the Beta Hunt Mine, a low-cost nickel and gold producer located in the Kambalda mining district of Australia. Beta Hunt resumed nickel production in 2014 and gold production at the end of 2015. RNC prepared and filed a business acquisition report on March 21, 2016 in connection with this acquisition, along with a National Instrument 43-101 Technical Report Preliminary Economic Assessment - The Beta Hunt Mine, Kambalda, Western Australia (which was filed on March 7, 2016).

RNC acquired control of SLM as a result of the following transactions (the "**Initial SLM Transactions**"): (i) a $2.5 million subscription by RNC for treasury-issued ordinary shares of SLM ("**SLM Shares**"), representing 20% of the SLM Shares; this subscription was completed on February 1, 2016; and (ii) an exchange by RNC of 31,937,831 treasury-issued common shares of RNC ("**RNC Shares**") for an additional 46% of the SLM Shares; this exchange was completed on March 15, 2016. The date of valuation of the acquisition of this additional 46% of SLM, including for purposes of the Business

Acquisition Report filed by RNC on SEDAR in respect of this transaction, was March 15, 2016. Under the transaction, 1.8228 RNC Shares were issued for each SLM Share. The RNC Share market price on that date was $0.20. The transaction was valued at market price for the purpose of the Business Acquisition Report.

On March 18, 2016, RNC entered into a shareholders agreement (the "**SLM Shareholders Agreement**") with shareholders of SLM (the "**Remaining SLM Shareholders**") who hold the remaining 34% of the SLM Shares, under which, among other things, RNC has the right (but not the obligation) (the "**Call Option**") to acquire all of the SLM Shares held by the Remaining SLM Shareholders for additional RNC Shares (subject to required approvals) during the period commencing April 1, 2016 and ending September 20, 2016, at an initial exchange ratio of 1.8501 (if exercised during the month of April), increasing by 1.5% in each subsequent month until the end of month 5 (August 2016), and then by 1% in month 6 (September 2016). This agreement was negotiated at arm's length by the parties. This agreed exchange ratio is higher than the 1.8228 exchange ratio under which the Initial SLM Transactions described above were completed among other things to reflect the fact that there is no certainty RNC will exercise the Call Option. This higher exchange ratio provides for an effective discount to Remaining SLM Shareholders (who sell their SLM Shares to RNC) to the RNC share issuance price applicable to the Initial SLM Transactions. The issuance price applicable under the Call Option will be between $0.197 and $0.1843 (depending on the date that RNC exercises the Call Option). RNC intends to exercise the Call Option in May 2016 if RNC shareholder approval is obtained, which translates into an 8% discount.

Assuming the Call Option is exercised during the month of May 2016, the applicable share exchange ratio will be 1.8775 RNC Shares for each remaining SLM Share (3% higher than the exchange ratio under which the Initial SLM Transactions were completed), and a total of 24,324,066 RNC Shares will be issued in exchange for the remaining 34% of SLM (resulting in RNC owning 100% of SLM). Such 24,324,066 RNC Shares represent 14.9% of the total number of issued and outstanding RNC Shares as of the date of this Circular, on a non-diluted basis. A copy of the SLM Shareholders Agreement is available on SEDAR under RNC's profile at www.sedar.com.

Under Section 611(c) of the TSX Company Manual, security holder approval is required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the acquisition (the "**25% Test**").

The RNC Shares issuable on the exercise of the Call Option (a maximum of 25,622,213 RNC Shares - i.e., if exercised during the month of September 2016, the applicable exchange ratio will be 1.9777 RNC Shares for each remaining SLM Share) have been aggregated with the RNC Shares issued as part of the Initial SLM Transactions (31,937,831 RNC Shares) for purposes of this 25% Test as it is applied to the Call Option, thereby triggering the security holder approval requirement. A total of 57,560,044 RNC Shares will be issuable or issued on the exercise of the Call Option (and consummation of these transactions) and under the Initial SLM Transactions, representing 35.2% of the total number of issued and outstanding shares outstanding as of the date of this Circular, and 43.8% of the total number of issued and outstanding shares as of February 1, 2016, the date the Initial SLM Transactions were announced (in each case on a non-diluted basis).

On March 18, 2016 (as revised on April 12, 2016 to reflect a larger number of shares issuable), the TSX conditionally approved the listing of up to 25,622,213 RNC Shares issuable on the exercise of the Call Option subject to RNC security holder approval in accordance with Section 611(c) of the TSX Company Manual and other customary conditions.

As such, an ordinary resolution substantially in the form of Resolution #1 set out in Appendix B (the "**RNC Share Issuance Resolution**") will be placed before shareholders at the Meeting to approve the issuance of up to 25,622,213 RNC Shares on the exercise of the Call Option. To be effective, the RNC Share Issuance Resolution must be approved by at least a majority of the votes cast at the Meeting.

There will be no material effect on the control of RNC as a result of the exercise of the Call Option and consummation of these share exchange transactions. None of the Remaining SLM Shareholders will acquire more than 3.7% of the total number of issued and outstanding RNC Shares as of the date of this Circular, on a non-diluted basis, and RNC has not agreed to grant director nomination or other governance rights to any of the Remaining SLM Shareholders.

In the event the RNC Share Issuance Resolution is approved by RNC shareholders at the Meeting, RNC intends to complete the transaction, and increase its interest in SLM to 100%, by the end of Q2 2016. In the event the RNC Share Issuance Resolution is not approved by RNC shareholders at the Meeting, RNC will remain a 66% shareholder in SLM and subject to the various minority rights that are included in the SLM Shareholders Agreement (these rights will no longer apply in the event the Call Option share exchange transactions are consummated).

The Board recommends to shareholders of the Corporation that they vote FOR the RNC Share Issuance Resolution.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be voted against the RNC Share Issuance Resolution, the persons named in the enclosed form of proxy intend to vote FOR the RNC Share Issuance Resolution.

4. Share Incentive Plan – Approval of Unallocated Entitlements

Because the Share Incentive Plan is an "evergreen" plan, the Corporation is required to obtain shareholder approval of unallocated entitlements thereunder every three years. As the three-year period prescribed by the TSX will expire on June 14, 2016, an ordinary resolution substantially in the form of Resolution #2 set out in Appendix B (the "**Share Incentive Plan Resolution**") will be placed before shareholders at the Meeting to approve unallocated entitlements under the Share Incentive Plan. This approval will be effective for three years from the date of the Meeting. To be effective, the Share Incentive Plan Resolution must be approved by at least a majority of the votes cast at the Meeting. If Share Incentive Plan Resolution is not approved by shareholders, options and awards that have not been allocated as of June 14, 2016 and options and awards that are outstanding as of June 14, 2016 but are subsequently cancelled, terminated or exercised will not be available for new grants. However, previously allocated options and awards will continue to be unaffected by the approval or disapproval of Share Incentive Plan Resolution. Moreover, the Corporation will not be prohibited from granting incentives based on the performance of the Corporation's common shares, so long as such incentives are settled in cash only.

The Board recommends to shareholders of the Corporation that they vote FOR the Share Incentive Plan Resolution.

Unless the shareholder has specified in the enclosed form of proxy that the common shares represented by such proxy are to be voted against Share Incentive Plan Resolution, the persons named in the enclosed form of proxy intend to vote FOR the Share Incentive Plan Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

1. Compensation Discussion and Analysis

Background

The Corporation was incorporated on December 13, 2006, and completed its initial public offering on December 16, 2010. The Corporation is a mineral resource company primarily focused on the acquisition, exploration, evaluation and development of mineral properties. Currently, the Corporation's principal asset and sole material property is the Dumont Nickel Project, strategically located in the established Abitibi mining camp, 25 km northwest of Amos, Quebec, Canada.

This Compensation Discussion and Analysis provides information regarding all significant elements of compensation paid, payable, granted, given or otherwise provided by the Corporation to the following individuals (collectively, the "**Named Executive Officers**" or "**NEOs**"):

(i) Mark Selby, President and Chief Executive Officer;

(ii) Timothy Hollaar, Chief Financial Officer;

(iii) Alger St-Jean, Vice President, Exploration; and

(iv) Johnna Muinonen, Vice President, Operations.

Role of Human Resources and Compensation Committee

The compensation program of the Corporation is administered by the Board with the assistance of the Human Resources and Compensation Committee ("**Compensation Committee**"). The Corporation's

Compensation Committee currently consists of three directors, being Mr. Peter Goudie, as chairman, Mr. Masson and Mr. McInnes. All members of the Compensation Committee are independent directors of the Corporation. The Board, with the assistance of the Compensation Committee, reviews and makes decisions in respect of compensation matters relating to senior executives and directors of the Corporation, ensuring consistent application of matters relating to remuneration, competitive remuneration and policies to attract and retain talent and ensuring that executive remuneration is consistent with industry standards.

The responsibilities of the Compensation Committee include assisting the Board with respect to, among other things: (a) developing a compensation philosophy and policies; (b) reviewing and approving goals and objectives relevant to the Chief Executive Officer's compensation, evaluating the performance of the Chief Executive Officer in light of those goals and objectives and making recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; (c) reviewing and making certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; (d) making recommendations to the Board with respect to the form of compensation of the directors; and (e) reviewing executive compensation disclosure.

In addition to the Compensation Committee members' general business experience, the following direct experience (and the skills gained from this experience) is also relevant to their responsibilities to make decisions on the suitability of the Corporation's compensation policies and practices.

- *Mr. Goudie.* Mr. Goudie has held a number of management positions throughout his career, certain responsibilities of which involved compensation matters.

- *Mr. Masson.* Mr. Masson is a certified director of the Institute of Corporate Directors. He has also served on an equivalent committee of another public company and has gained valuable experience in matters pertaining to executive compensation from that role.

- *Mr. McInnes.* Mr. McInnes has held a number of management positions in the mining industry throughout his career, and among other roles has served on multiple compensation committees.

Both the Compensation Committee and Board have recognized that the NEOs are critical to achieving the vision and mission of the Corporation, and that compensation plays an important role in achieving both short-term and long-term objectives that ultimately drive success. Starting in August 2011, the Compensation Committee, on behalf of the Corporation, engaged The Human Well (the "**Compensation Consultant**"), an independent consulting firm with extensive experience in the mining sector, to advise and assist the Corporation in the development of compensation policies and to complete a benchmarking study for executive compensation and directors' remuneration. This included working with the Compensation Committee to identify an appropriate comparator and peer group that would be used for executive compensation benchmarking purposes for 2011 and subsequent periods as the Corporation moves toward project development and operations. The table below sets forth the consideration paid to the Compensation Consultant during the two most recently completed financial years.

Fees of Compensation Consultants and Advisors	**Year ended Dec 31, 2015**[(1)]	**Year ended Dec 31, 2014**
Executive Compensation-Related Fees	$Nil	$32,750
All Other Fees	-	-

Note: (1) No benchmarking completed in 2014 or 2015.

Based on the work completed by the Compensation Consultant, the Compensation Committee developed compensation policies, which were reviewed and approved by the Board, which policies will guide the compensation decisions made by the Compensation Committee and Board. Such policies reflect the Corporation's philosophy regarding executive compensation that it must:

- provide competitive compensation sufficient to attract, retain and motivate high-performing senior executives with the skills necessary to achieve the Corporation's strategy;
- align compensation directly to the achievements of the corporate and personal performance objectives that cascade from the approved strategy;
- encourage execution of goals and objectives in a manner consistent with the Corporation's vision, mission and values; and
- align the interests of senior executives with those of the Corporation's shareholders.

Significant Commitments made by Senior Management and Directors

The Compensation Committee acknowledges the significant commitments made by senior management and the Board with respect to their compensation by agreeing to, and in some cases offering to, take various measures to improve the cash flow position of the Corporation, allowing it greater flexibility to manage its affairs in a challenging nickel market. These measures have included a reduction in work days, agreements to take shares, DSUs or RSUs in lieu of cash salary and directors fees.

Benchmarking

In 2013, the Corporation's compensation program was benchmarked by the Compensation Consultant relative to a peer group of mining companies with a single project of similar size and complexity, primarily in North America, with a market capitalization of between $30 million and $300 million. The companies included were as follows: Adriana Resources Inc., Polymet Mining Corp, Duluth Metals Limited, Western Copper and Gold Corporation, General Moly, Inc., Augusta Resource Corporation, Noront Resources Ltd., Arianne Phosphate Inc., NovaCopper Inc., Anfield Nickel Corp., Alderon Iron Ore Corp., Nevada Copper Corp. and Romarco Minerals Inc.

While it was agreed that the compensation policy of the Corporation would be to utilize the 50^{th} percentile of the comparator group selected for the year for base salary and the 50^{th} to 75^{th} percentile for the total compensation of each NEO, actual compensation set in 2013 was below those percentiles. No further benchmarking was completed in respect of 2014 or 2015, due to the Corporation's financial situation and given that there was no plan to increase compensation (however, the Compensation Consultant provided advice to the Compensation Committee regarding certain elements of the Corporation's 2014 compensation program; for example the Option grants described below were below the market levels recommended by the Compensation Consultant).

Elements of Compensation

The compensation paid to the NEOs for the financial year ended December 31, 2015 was comprised primarily of the following three components:

Base Salary

Base salary is designed to remunerate the NEOs for discharging their duties and responsibilities and therefore takes into account the position and responsibilities of the NEO, previous experience, prior performance and anticipated contribution.

Short-term Incentive Compensation

In addition to base salary, the NEOs are eligible to receive an annual bonus based on the achievement of performance objectives. In the case of the Chief Executive Officer, the annual objectives are established by the Compensation Committee based on the Corporation's strategy and key milestones with input from the Executive Chairman of the Board. For the other NEOs, the performance objectives cascade from the Chief Executive Officer's objectives and the Corporation's strategy and key milestones and reflect the individual's position and responsibilities. These objectives are reviewed by the Chief Executive Officer with the Compensation Committee. The target bonus for each NEO is expressed as a percentage of base salary. Each NEO may elect to receive up to 50% of his or her short term incentive in share-based compensation under the Share Incentive Plan. For 2015, the Compensation Committee reviewed the performance of the Chief Executive Officer, with input from the Executive Chairman of the Board, and the performance of the other NEOs, with input from the Chief Executive Officer, based on deliverables against objectives. See "Performance Goals" below. Very challenging market conditions for junior mining companies resulted in poor share price performance. The Compensation Committee and Board considered all these factors as well as the financial position of the Corporation and the need to retain the key talent in the organization when awarding the annual bonuses outlined below. The NEOs were awarded 85% of their target bonuses. As an indication of commitment to the long-term success of the Corporation, each NEO elected to take 50% of his or her annual bonus for 2015 in the form of RSUs. Most of the RSUs granted were granted at the election of each individual to receive 50% of their short-term incentive bonus in share-based compensation and consequently vested immediately, based on the dollar amount of the bonus elected to be taken in the form of RSUs divided by the closing price of the Corporation's common shares on the TSX on the day prior to the grant date.

Long-term Incentive Compensation

Long-term incentives are intended to align the interests of NEOs with the interests of shareholders by motivating NEOs to increase shareholder value over the long-term. Targets for long-term incentives are benchmarked to the market for competitiveness, consider the value of the NEO's contribution to the long-term success of the Corporation and the percentage of compensation that the Compensation Committee determines should be at risk. The award targets are modified based on the performance of the NEOs during the year, corporate performance and the anticipated contribution of the NEO. Long-term incentive compensation may take the form of Options, DSUs, RSUs, SARs and other share based awards under the Share Incentive Plan. Given current market conditions and general economic climate, for the fiscal year-ended December 31, 2015, the NEOs were awarded grants of Options at levels below those recommended by the Compensation Consultant.

For additional information regarding Options and Awards, please see "Incentive Plan Awards – Share Incentive Plan".

Perquisites and Benefits

The Corporation also provides basic perquisites and benefits to its NEOs such as medical, dental, life insurance and disability plans. All of the NEOs have termination and change of control provisions in their employment agreements. The Corporation does not provide for any pension plan.

Performance Goals

The key objectives of the NEOs for 2015 focused on the completion of partnership and financing arrangements, and progressing permitting and other key milestones to move the Dumont Project forward.

Risks Associated with the Corporation's Compensation Policies and Practices

The Compensation Committee reviewed the Corporation's compensation policies and practices to ensure that they encourage senior executives to consider the risks associated with their decisions and actions. The Compensation Committee concluded that the Corporation has policies and practices to ensure that the NEOs do not have incentives to take inappropriate or excessive risks, including the following:

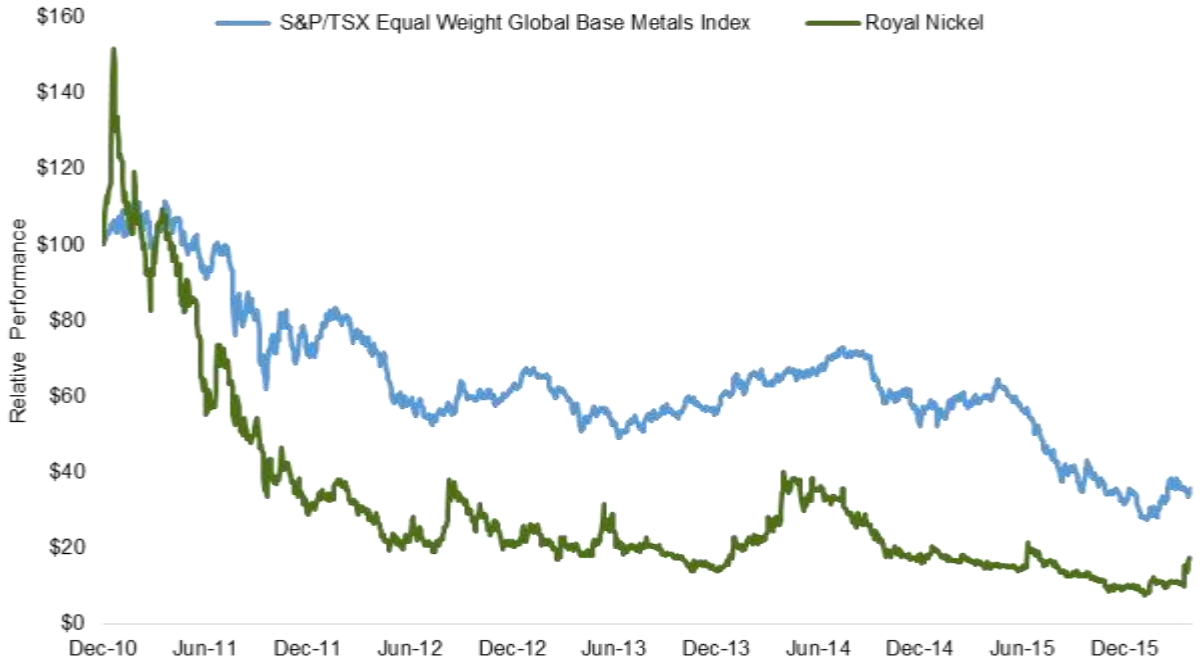
- an appropriate mix of fixed and variable compensation, including long-term incentives;
- a significant level of reinvestment of bonuses into RSUs;
- quantitative and qualitative metrics are used to determine the amount of awards to NEOs pursuant to the Corporation's Share Incentive Plan;
- there is a comprehensive Code of Conduct and a Whistleblower policy that encourages reporting of imprudent corporate behaviour; and
- the Compensation Committee is comprised entirely of independent directors.

NEO Purchases of Financial Instruments

Pursuant to the terms of the Corporation's insider trading policy, personnel, including NEOs and directors, are prohibited from selling securities of the Corporation short or buying or selling call or put options or other derivatives in respect of the Corporation's securities. Personnel are also prohibited from entering into other transactions that have the effect of hedging the economic value of any direct or indirect interests of such personnel in the equity of the Corporation.

2. Performance Graph

The following graph compares the total cumulative shareholder return for $100 invested in common shares of the Corporation with the total cumulative return of the S&P/TSX Equal Weight Global Base Metals Index since the Corporation's initial public offering on December 16, 2010:



	16-Dec-2010	31-Dec-2010	30-Dec-2011	31-Dec-2012	31-Dec-2013	31-Dec-2014	31-Dec-2015
Common Shares of RNC on the TSX	$100.00	$144.32	$31.35	$22.70	$15.41	$17.30	$9.46
S&P/TSX Equal Weight Global Base Metals Index	$100.00	$105.29	$71.80	$63.79	$60.99	$57.47	$34.27

The S&P/TSX Equal Weight Global Base Metals Index is the equal weighted version of the S&P/TSX Global Base Metals Index, a benchmark of securities involved in the production or extraction of base metals, and a subset of the S&P/TSX Global Mining Index. The index is a subset of the S&P/TSX Global Mining Index, an investable index that provides investors with a broadly representative benchmark for global mining portfolios. As such, it is difficult to directly compare the Corporation's NEO compensation with the trends reflected in the graph above as the Corporation is still in the development stage and seeking to raise capital in a difficult market (while many other members of this index are in production, diversified, dividend-paying and have much larger market capitalizations).

The Corporation is of the view that compensation levels for the NEOs cannot and should not be directly compared to quarter over quarter or year over year relative share price performance. Global commodity prices, particularly the price of nickel, and general market conditions) are significant factors affecting the Corporation's stock price and these are beyond the control of the Corporation's officers.

The Corporation's executive compensation package is designed to attract, retain and motivate high-performing senior executives with the skills and experience necessary to achieve the Corporation's strategy and grow the business through both adverse and favourable economic cycles. A significant portion of NEO compensation is based on long-term incentives with the ultimate value received tied directly to the Corporation's share price performance.

2. Named Executive Officers' Summary Compensation Table

The Corporation became a reporting issuer on December 10, 2010. The following table (presented in accordance with *Form 51-102F6 – Statement of Executive Compensation* ("**Form 51-102F6**") under *National Instrument 51-102 – Continuous Disclosure Obligations* ("**NI 51-102**")) sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation for the financial years ended December 31, 2015, 2014, and 2013 in respect of the Chief Executive Officer, the Chief Financial Officer and two remaining executive officers of the Corporation (the NEOs).

Name and principal position of NEO[7]	Year	Salary ($)	Share-based awards ($)[1]	Option-based awards ($)[2]	Non-equity incentive plan compensation		All other compensation ($)[3]	Total compensation ($)
					Annual incentive plans ($)	Long-term incentive plans ($)		
Mark Selby President and Chief Executive Officer[4]	2015 2014 2013	306,250 338,333 230,000	197,770 91,806 47,946	18,107 222,643 41,505	148,750 84,583 43,125	- - -	- - -	670,878 737,365 362,576
Timothy Hollaar Chief Financial Officer and Corporate Secretary[5]	2015	186,000	68,625	103,267	44,625	-	-	402,516
Fraser Sinclair Chief Financial Officer and Corporate Secretary[6]	2014 2013	280,000 280,000	5,863 41,388	90,721 41,505	- 35,000	- -	- -	376,584 397,893
Johnna Muinonen, Vice President, Operations	2015 2014 2013	183,750 210,000 210,000	74,083 30,647 30,625	18,107 131,921 29,247	44,625 26,250 26,250	- - -	- - -	320,565 398,818 296,122
Alger St-Jean Vice President, Exploration	2015 2014 2013	183,750 210,000 210,000	53,083 30,647 30,469	18,107 131,921 29,247	44,625 26,250 26,250	- - -	- - -	299,566 398,818 295,966

Notes:

(1) This represents RSUs granted under the Share Incentive Plan. RSU awards granted in 2013 were granted on December 12, 2013. With the exception of a total of 135,847 RSUs (with a fair value on the grant date of $36,678) granted to the NEOs on account of their entitlement to receive one additional RSU for every five RSUs held for two years, all of the RSUs granted in 2013 were granted in lieu of a cash bonus at the election of the individual; the number of RSUs granted was based on a price of $0.27, the closing price of the common shares on the TSX on the day prior to the grant date. RSU awards granted in 2014 were granted on December 12, 2014 and December 14, 2014. With the exception of a total of 65,313 RSUs (with a fair value on the grant date of $21,880) granted to the NEOs on account of their entitlement to receive one additional RSU for every five RSUs held for two years, all of the RSUs granted in 2014 were granted in lieu of a cash bonus at the election of the individual; the number of RSUs granted was based on a price of $0.335, the closing price of the common shares on the TSX on the day prior to the grant date. RSUs granted in 2015 were granted on January 2, 2015, April 1, 2015 and May 18, 2015 in lieu of salary at the election of the individual; the number of RSUs granted was based on prices of $0.32, $0.30 and $0.28 respectively, the closing price of the common shares on the TSX on the day prior to the grant date.

RSUs granted in 2015 were also granted on December 11, 2015 and December 12, 2015. With the exception of a total of 70,832 RSUs (with a fair value on the grant date of $11,687) granted to the NEOs on account of their entitlement to receive one additional RSU for every five RSUs held for two years, all of the RSUs granted on these dates were granted in lieu of a cash bonus at the election of the individual; the number of RSUs granted was based on a price of $0.175, the closing price of the common shares on the TSX on the day prior to the grant date

(2) The 2014 awards were higher than the prior year (i) to compensate for lower than target awards made in prior years due to grant restrictions applicable under the Corporation's Share Incentive Plan, and (ii) to retain key personnel at a critical stage of the Corporation's development.

This column represents options and stand-alone cash-settled SARs granted under the Share Incentive Plan. The fair value of option-based awards was determined using the Black-Scholes pricing model. The Black-Scholes award valuation is determined using the exercise price or base price (in the case of SARs), expected life of the award, expected volatility of the common share price, expected dividend yield and risk-free interest rate. The Corporation assigns an exercise or base price equivalent to the value of one common share on the TSX on the date immediately preceding the date of the grant.

No SARs were granted in 2015 or 2014. SARs granted in 2013 are subject to conditions. Subject to certain exceptions relating to a change of control or termination of employment, the SARs vest if the Compensation Committee passes a resolution approving the redemption of the SARs having regard to the Corporation's financial condition, project status and overall market conditions, provided that the number of SARs to vest will be dependent upon the length of service of the officer as follows: one-third will not be dependent on the length of service and shall vest upon the Committee approval condition referred to above, one-third will only vest subject to the Committee approval referred to above if the officer is still serving as an officer on the first anniversary of the date of grant and the remaining one-third will only vest subject to the Committee approval referred to above if the officer is still serving as an officer on the second anniversary of the date of grant. Notwithstanding the above, in the event that the Committee approval condition is not met prior to December 12, 2018, the SARs will be redeemed on December 12, 2018.

(3) The aggregate value of perquisites and other personal benefits not generally available to all employees was less than 10% of the total salary of each NEO and less than $50,000 for each NEO for the financial year.

(4) Mr. Selby was appointed Interim President and Chief Executive Officer of the Corporation on February 11, 2014 (replacing Tyler Mitchelson, who resigned as of such date) (the "Interim" designation was removed on May 8, 2015). Prior to this appointment, Mr. Selby served as Senior Vice President, Business Development of the Corporation.

(5) Mr. Hollaar was appointed Chief Financial Officer of the Corporation as of January 1, 2015. Option-based awards granted in 2015 include $85,160 granted pursuant to Mr. Hollaar's appointment.

(6) Mr. Sinclair left the Corporation effective December 31, 2014.

(7) Tyler Mitchelson served as President and Chief Executive Officer until his resignation from the Corporation on February 11, 2014. He became a director of the Corporation as of such date. His salary in 2014 (received in his capacity as President and Chief Executive Officer) was $74,038 ($385,000 in 2013). He did not receive any amounts in 2014 (i) under the Corporation's non-equity-based annual incentive plan (he received $96,250 in 2013), (ii) under the Corporation's non-equity-based long-term incentive plan (he did not receive any amounts under such plan in 2013), or (iii) as other compensation (he did not receive any other compensation in 2013).

Discussion of Summary Compensation Table

Additional factors necessary to understand the information disclosed in the Summary Compensation Table above include the terms of each NEO's employment agreement.

Mark Selby

Mr. Selby commenced working for the Corporation effective April 1, 2010, and became Senior Vice President, Business Development effective November 1, 2010. Until February 11, 2014, when Mr. Selby was appointed Interim President and Chief Executive Officer (the "Interim" designation was removed on May 8, 2015), Mr. Selby's employment agreement provided for employment for an indefinite term with the payment of a base salary, which was $230,000 per annum for the year ended December 31, 2013. Mr. Selby's amended and restated employment agreement dated February 11, 2014 provides for a base salary of $350,000 and is to be reviewed by the Compensation Committee from time to time. Mr. Selby did not receive an increase in base salary for the year ended December 31, 2015. Mr. Selby's employment agreement also provides for the payment of an annual bonus with a target amount equal to 100% of the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Mr. Selby's employment agreement provides that he has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units. See also "Termination and Change of Control Benefits" below.

Timothy Hollaar

Mr. Hollaar became Chief Financial Officer effective January 1, 2015. Mr. Hollaar's employment agreement provided for employment for an indefinite term with the payment of a base salary of $210,000 for the year ended December 31, 2015. Mr. Hollaar's employment agreement also provided for the payment of an annual bonus with a target amount equal to 50% of the then current annual base salary. The annual bonus was based on a recommendation of the Compensation Committee and at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Mr. Hollaar's employment agreement also provided that he had the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he would receive a 20% increase in the number of units.

Alger St-Jean

Mr. St-Jean became Vice President, Exploration effective April 30, 2007. Mr. St-Jean's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $210,000 per annum for the year ended December 31, 2015 and which is reviewed by the Compensation Committee from time to time. Mr. St-Jean did not receive an increase in base salary for the year ending December 31, 2015. Mr. St-Jean's employment agreement as amended on March 15, 2012, also provides for the payment of an annual bonus with a target amount equal to 50% of the then current base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Subsequent to the entering into of the employment agreement with Mr. St-Jean, Mr. St-Jean was given the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that he holds the award for two years, he receives a 20% increase in the number of units. See also "Termination and Change of Control Benefits" below.

Johnna Muinonen

Ms. Muinonen became Vice President, Metallurgy effective August 9, 2010. She became Vice President, Operations effective December 16, 2011. Ms. Muinonen's employment agreement provides for employment for an indefinite term with the payment of a minimum base salary, which was $210,000 per annum for the year ended December 31, 2014 and which is reviewed by the Compensation Committee from time to time. Ms. Muinonen did not receive an increase in base salary for the year ending December 31, 2015. Ms. Muinonen's employment agreement as amended on March 15, 2012, also provides for the payment of an annual bonus with a target amount equal to 50% of the then current annual base salary. The annual bonus is based on a recommendation of the Compensation Committee and is at the discretion of the Board, taking into account annual corporate and/or personal objectives and goals. Ms. Muinonen's employment agreement provides that she has the right to receive up to 50% of any annual bonus entitlement in the form of a share-based award under the Share Incentive Plan such as RSUs and that in the event that she holds the award for two years, she receives a 20% increase in the number of units. See also "Termination and Change of Control Benefits" below.

3. Incentive Plan Awards

Share-Based Awards and Option-Based Awards as at December 31, 2015

The following table (presented in accordance with Form 51-102F6) sets forth for each NEO all awards outstanding at the end of the most recently completed financial year ended December 31, 2015, including awards granted before the most recently completed financial year that remained outstanding on December 31, 2015.

	Option-based Awards Vested and Unvested				Share-based Awards		
Name of NEO	**Number of securities underlying unexercised award (#)[1]**	**Award exercise or base price ($)**	**Award expiration date[2]**	**Value of unexercised in-the-money awards ($)[3]**	**Number of shares or units of shares that have not vested (#)[4]**	**Market or payout value of share-based awards that have not vested ($)[5]**	**Market or payout value of vested share-based awards not paid out or distributed ($)[5]**
Mark Selby	Options				141,275	25,430	264,447
	80,000	0.56	16-Dec-2021	-			
	85,000	0.40	14-Dec-2022	-			
	150,000	0.27	12-Dec-2018	-			
	600,000	0.65	16-Apr-2019	-			
	250,000	0.335	12-Dec-2019	-			
	225,000	0.175	11-Dec-2020	1,125			
	SARs						
	150,000	0.27	12-Dec-2018	-			
Timothy Hollaar	Options				85,714	15,429	45,900
	525,000	0.35	12-Jan-2020	-			
	225,000	0.175	11-Dec-2020	1,125			
	-	-	-				
Alger St-Jean	Options				16,953	3,052	81,004
	250,000	0.35	22-Mar-2017	-			
	50,000	1.00	9-Jul-2017	-			
	50,000	0.56	16-Dec-2021	-			
	55,000	0.40	14-Dec-2022	-			
	112,500	0.27	12-Dec-2018	-			
	300,000	0.65	16-Apr-2019	-			
	250,000	0.335	12-Dec-2019	-			
	225,000	0.175	11-Dec-2020	1,125			
	SARs						
	97,500	0.27	12-Dec-2018	-			
Johnna Muinonen	Options				84,765	15,258	103,504
	50,000	0.56	16-Dec-2021	-			
	55,000	0.40	14-Dec-2022	-			
	112,500	0.27	12-Dec-2018	-			
	300,000	0.65	16-Apr-2019	-			
	250,000	0.335	12-Dec-2019	-			
	225,000	0.175	11-Dec-2020	1,125			
	SARs						
	97,500	0.27	12-Dec-2018	-			

Notes:

(1) This represents options and stand-alone cash-settled SARs granted under the Share Incentive Plan. The terms of the SARS are summarized under Named Executive Officers' Summary Compensation Table.
(2) All vested SARs must be redeemed on or before the expiration date specified.
(3) The value of unexercised option-based awards was calculated using the closing price of common shares on the TSX on December 31, 2015 of $0.18 less the exercise or base price of the award.
(4) This represents RSUs granted under the Share Incentive Plan.
(5) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2015 of $0.18.

Incentive Plan Awards – Value Vested or Earned During The Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned during the most recently completed financial year ended December 31, 2015 for each incentive plan award.

Name of NEO	Option-based awards – Value vested during the year ($)[1]	Share-based awards – Value vested during the year ($)[2]	Non-equity incentive plan compensation – Value earned during the year ($)[3]
Mark Selby	-	154,021	148,750
Timothy Hollaar	1,750	44,625	44,625
Alger St-Jean	-	47,833	44,625
Johnna Muinonen	-	47,833	44,625

Notes:

(1) Represents the aggregate dollar value that would have been realized if the options or SARs that vested during the year had been exercised or redeemed, as applicable, on the vesting date.
(2) This represents RSUs granted under the Share Incentive Plan. Represents the aggregate dollar value that would have been realized if the RSUs that vested during the year had been redeemed on the vesting date.
(3) Represents the cash bonuses paid to the NEOs in respect of 2015.

Share Incentive Plan

The Share Incentive Plan provides for the granting of equity-based compensation securities, including options and awards for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of senior executives, directors, employees (including prospective employees) and consultants of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the holding of options and awards that are tied to the long term performance of common shares by senior executives, directors, employees and consultants of the Corporation.

The Share Incentive Plan provides for the issuance of stock options ("**Options**") and other equity-based awards ("**Awards**") including share appreciation rights ("**SARs**"), restricted shares, restricted share units ("**RSUs**"), deferred share units ("**DSUs**"), performance shares and performance share units.

The material provisions of the Share Incentive Plan are as follows:

- *Eligible Participants*. Employees, directors and officers of the Corporation and its subsidiaries, as well as consultants (as defined in National Instrument 45-106) (the "**Participants**"), are eligible to participate in the Share Incentive Plan.

- *Common Shares Subject to the Share Incentive Plan.* The Share Incentive Plan provides that the maximum number of common shares issuable upon the exercise of Options and made available as Awards, in aggregate, shall not exceed 15% of the issued and outstanding common shares from time to time. As a result, should the Corporation issue additional common shares in the future, the

number of common shares issuable under the Share Incentive Plan will increase accordingly. The Share Incentive Plan is considered an "evergreen" plan, since the common shares covered by Options and Awards that have been exercised or redeemed, as the case may be, shall be available for subsequent grants under the Share Incentive Plan. As of the date hereof, up to 17,818,438 common shares (representing approximately 13.6% of the issued and outstanding common shares of the Corporation as of the date hereof) are issuable under Options and Awards outstanding at the date hereof, out of a total available of 19,698,876 common shares.

- *Maximum Percentage of Available Securities to Insiders Under All Share Compensation Arrangements*. The aggregate number of common shares issuable to insiders under the Share Incentive Plan and any other share compensation arrangement shall not exceed 10% of the common shares issued and outstanding at any time. Insiders shall not be issued, pursuant to the Share Incentive Plan and any other share compensation arrangement, within any one year period, a number of common shares which exceeds 10% of the common shares issued and outstanding. As of the date hereof, a total of up to 11,622,858 common shares are issuable to insiders under granted Options and Awards (representing approximately 8.9% of the issued and outstanding common shares of the Corporation as of the date hereof), out of a total available to insiders of 13,132,584 common shares.

- *Method of Determining Option Exercise Price*. Under the Share Incentive Plan, the Compensation Committee has the authority to fix the exercise price of an Option at the time the Option is granted, provided that the price per common share fixed by the Compensation Committee is in Canadian dollars and shall not be less than the market price of the common shares immediately preceding the grant.

- *Calculation of Market Appreciation of Share Appreciation Rights*. The Share Incentive Plan allows the granting of share appreciation rights. Market appreciation of share appreciation rights shall be calculated as an amount equal to (a) the excess of the fair market value of a common share on the date of redemption of the share appreciation right, over (b) the fair market value of a common share as of the date of grant, multiplied by (c) the number of common shares with respect to which the share appreciation right is redeemed.

- *Vesting of Options and Option Period*. At the time of the grant of an Option, the Compensation Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in instalments on such terms as to vesting or otherwise, as the Compensation Committee deems advisable. Unless otherwise determined by the Compensation Committee, Options will vest, as to one-third of Options granted, on each of the first, second and third anniversaries of the date of grant, provided that the grantee is still a Participant at that time.

- *Restricted Shares Issuances*. The Share Incentive Plan permits the Compensation Committee to grant restricted shares to Participants. The Compensation Committee may determine when a restricted share shall vest, or have the restricted shares vest in instalment on such terms as the Compensation Committee deems to be advisable. After the restricted shares have vested and the Participant executes an award agreement, the Corporation will issue the Participant a certificate for the number of common shares granted as restricted shares. Once the Participant has the certificate, the Participant shall have the rights of a shareholder with respect to the restricted shares, subject to any restrictions or conditions as the Compensation Committee may in its discretion include in the applicable award agreement.

- *Restricted Share Units*. The Compensation Committee may grant Awards of RSUs to Participants in such amounts and subject to such terms and conditions as the Compensation Committee shall

determine in its discretion. On the payment date, the Participant of each RSU shall receive common shares, cash, securities or other property equal in value to the common shares or a combination thereof, as specified in the applicable award agreement.

- *Deferred Share Units*. The Compensation Committee may grant Awards of DSUs to Participants in such amounts and subject to such terms and conditions as the Compensation Committee shall determine in its discretion. A Participant is only entitled to payment in respect of the DSUs when the Participant ceases to be an employee or director of the Corporation or any affiliate thereof for any reason. At the time of grant, the Compensation Committee shall determine whether the DSUs shall be redeemed for (i) common shares only, or (ii) at the option of the Participant, common shares or the redemption value determined in accordance with the applicable award agreement.

- *Performance Shares and Performance Share Units*. The Compensation Committee may grant Awards of performance shares to Participants in the form of (a) common shares or (b) performance share units, in such amounts and subject to such terms and conditions as the Compensation Committee shall determine in its discretion. A Participant who is granted a performance share unit will have only the rights of an unsecured creditor of the Corporation until payment of common shares, cash or other securities or property is made as specified in the applicable award agreement. In the event that a certificate is issued in respect of an Award of performance shares in the form of common shares, such certificate shall be registered in the name of the Participant but shall be held by the Corporation or its designated agent until the time the performance shares are earned or become vested in accordance with the terms of the applicable award agreement. The Compensation Committee shall determine in its sole discretion whether performance share units shall be settled in common shares, cash, securities or other property, or a combination thereof.

- *Other Equity-Based Awards*. The Compensation Committee may grant other types of equity-based or equity-related Awards to Participants (including the grant of unrestricted common shares) in such amounts and subject to such terms and conditions as the Compensation Committee shall in its discretion determine. Such Awards may entail the transfer of actual common shares to Participants, or payment in cash or otherwise of amounts based on the value of common shares, and may include, without limitation, Awards designed to comply with or take advantage of the applicable local laws of foreign jurisdictions.

- *Term of Options*. The Compensation Committee may set the term of the Options, so long as such term is not more than ten years from the date of the grant of the Option.

- *Causes of Cessation of Entitlement*. The Share Incentive Plan sets out provisions regarding the exercise and cancellation of Options and Awards if a Participant's employment terminates or a Participant otherwise ceases to be eligible under the Share Incentive Plan. Under the Share Incentive Plan, subject to any express provisions included in an employment/termination agreement with respect to an Option, which shall in no case provide for an exercise period beyond 12 months from the termination date:

    - If the Participant ceases to be eligible by reason of retirement, early retirement at the request of the Corporation, death or disability, there shall be either (i) immediate vesting of all Options and Awards if so provided for in an employment/termination agreement, or (ii) immediate vesting of the Options and Awards that would have vested in the 12 months following the effective termination date in all other cases. All vested Options and Awards shall be exercisable or redeemed during the period that is the shorter of (x) the

remainder of the option period (or other applicable period in respect of Awards), and (y) 180 days after the effective date of termination.

- If the Participant ceases to be eligible for any reason other than those specified above, there shall be either (i) immediate vesting of all Options and Awards or immediate vesting of the Options and Awards that would otherwise have vested in the 90 days following the termination date, as applicable, if so provided in an employment/termination agreement, or (ii) no accelerated vesting of the Options and Awards in all other cases. All vested Options and Awards shall be exercisable or redeemed, as the case may be, during the period which is the shorter of (x) the remainder of the option period (or other applicable period in respect of Awards), and (y) 90 days after the termination date.

- *Assignability*. Except to the extent otherwise provided in the applicable award or option agreement, no Award or Option or right granted to any person under the Share Incentive Plan shall be assignable other than by will or by the laws of descent and distribution.

- *Amendments, Suspension or Termination of the Share Incentive Plan*. Subject to the provisions below respecting amendments requiring shareholder approval, the Compensation Committee may amend, suspend or terminate the Share Incentive Plan, at any time, including with respect to the following matters, provided that no such amendment, suspension or termination may be made without obtaining any required regulatory approvals or adversely affect the rights of any optionee or award holders who holds an Option or Award at the time of such amendment, without the consent of that optionee or award holder:

  - an amendment to the purchase price of any Option or Award, unless the amendment is a reduction in the purchase price of an Option or Award held by an insider to a price below the purchase price applicable to such Option or Award determined at the date of grant (including a cancellation and re-grant of an Option at a lower price less than three months after the related cancellation);

  - an amendment to the date upon which an Option or Award may expire, unless the amendment extends the expiry of an Option or Award held by an insider beyond the expiry date or term determined at the date of grant;

  - an amendment to the vesting provisions of the Share Incentive Plan and any option agreement or award agreement granted under the Share Incentive Plan;

  - an amendment to provide a cashless exercise feature to an Option or the Share Incentive Plan, whether or not there is a full deduction of the number of underlying common shares from the total number of common shares available for issuance under the Share Incentive Plan;

  - an addition to, deletion from or alteration of the Share Incentive Plan or an Option or Award that is necessary to comply with applicable law or the requirements of any regulatory authority or a stock exchange;

  - any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Share Incentive Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Share Incentive Plan that is inconsistent with any other provision of the Share Incentive Plan,

correcting grammatical or typographical errors and amending the definitions contained within the Share Incentive Plan respecting the administration of the Share Incentive Plan;

- any amendment respecting the administration of the Share Incentive Plan; and
- any other amendment that does not require shareholder approval as set out in the section below or under applicable law or the requirements of any regulatory authority or stock exchange.

- *Amendments Requiring Shareholder Approval*. Shareholder approval will be required for the following amendments to the Share Incentive Plan:
  - any increase in the maximum number of common shares issuable, either as a fixed number or a fixed percentage of the Corporation's outstanding common shares;
  - to remove or exceed the insider participation limit;
  - to an amending provision within the Share Incentive Plan;
  - any reduction in the purchase price of an Option or Award benefitting an insider to a price below the purchase price applicable to such Option or Award determined at the date of grant (but excluding, for greater certainty, a cancellation and re-grant of an Option to a lower price where the re-grant occurs at least three months after the related cancellation); and
  - any extension of the expiry date or term of an Option or Award benefitting an insider beyond the expiry date or term determined at the date of grant.

4. Termination and Change of Control Benefits

The employment agreements, as amended, between the Corporation and the NEOs contain the following termination and change of control provisions.

If Mr. Selby, Mr. Hollaar or Ms. Muinonen is terminated without cause, such NEO will be entitled to payment of a multiple of the NEO's base salary (see below) in a lump sum or by salary continuation. The NEO's benefits coverage will continue until the end of the applicable compensation period (see below). In the event of a change of control (as defined below) of the Corporation, the NEO may elect, during the six month period immediately following the date of such change of control, to terminate the NEO's employment agreement by 60 days' notice and will be entitled to a lump sum payment of a multiple of the NEO's base salary (see below).

If Mr. St-Jean is terminated without cause, he will be entitled to a lump sum payment of a multiple of his base salary (see below). He will also be entitled to continue to participate in and be covered by the Corporation's benefit plans until the earlier of (a) the date that is one year following such termination, and (b) the date on which he commences employment with a new employer, and the Corporation will pay for up to $20,000 of outplacement services to the extent actually and properly incurred on his behalf. In the event of a change of control (as defined below) of the Corporation Mr. St-Jean has the right, for a period of six months following the change of control, to terminate his employment agreement on 30 days' notice and will be entitled to a lump sum payment of a multiple of his base salary (see below).

A "change of control" is defined as when any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, or a natural person in his or her capacity as trustee of any of the foregoing, alone or acting in concert with any of the foregoing or combination of the foregoing, beneficially own or control, directly or indirectly, over 40% of the outstanding common shares or the votes attaching thereto of the Company.

For the NEOs, vesting of options and awards accelerate on a change of control, and accelerate on a complete or partial basis on a termination without cause.

For illustrative purposes, had a change of control occurred on December 31, 2015, the applicable multiple, the compensation period for benefits, the amounts payable and the incremental value of options and awards in respect of which vesting would have accelerated would have been as follows:

Name	Multiple	Aggregate Amount Payable for Base Salary ($)	Compen-sation Period for Benefits	Aggregate Amount Payable for Benefits ($)[1]	Option-Based Awards – Value Vested ($)[2]	Share-Based Awards – Value Vested ($)[3]	Other
Mark Selby	2 times	700,000	2 years	-	1,125	25,430	-
Timothy Hollaar	2 times	420,000	2 years	-	1,125	15,429	-
Alger St-Jean[4]	2 times	420,000	1 year	-	1,125	3,052	up to $20,000[4]
Johnna Muinonen	2 times	420,000	2 years	-	1,125	15,258	-

Notes:

(1) The aggregate value of benefits was less than $50,000 for each NEO for the financial year.

(2) The value of Options and SARs in respect of which vesting would have accelerated on a change of control was calculated using the closing price of the common shares on the TSX on December 31, 2015 which was $0.18 per share, less the exercise or base price of the award.

(3) The value of RSUs granted in 2015 in lieu of salary at the election of the individual was calculated using the closing price of the common shares on the TSX on December 31, 2015 which was $0.18 per share.

(4) Mr. St-Jean is entitled to a payment of up to $20,000 of outplacement services to the extent actually and properly incurred on his behalf.

(5) If, instead of a change of control, an NEO had been terminated without cause as of December 31, 2015, all of the amounts in the above table would be the same, except that in the Option-Based Awards column, the amounts would be nil.

5. Director Compensation

The Corporation's compensation philosophy for directors is designed to provide competitive compensation sufficient to attract, retain and motivate highly skilled directors. Directors' compensation was reviewed by the Compensation Committee in 2015. Directors' compensation includes the following:

1. An annual retainer for each director (other than the Executive Chairman of the Board).

2. An annual retainer for the Executive Chairman of the Board.

3. An annual retainer for each committee Chair.

4. A meeting fee for each director for each properly called and duly constituted meeting attended (in person or by phone) by such director (other than the Executive Chairman of the Board).

5. An initial grant of stock options or other share-based compensation for each director upon being elected to the Board and an additional grant of stock options or share-based compensation from time to time, in each case as approved by the Board.

The annual retainer may be taken in the form of cash or, subject to the limits set forth in the Corporation's Share Incentive Plan and the recommendation of the Compensation Committee and approval by the Board, share-based compensation.

While it was agreed that the annual retainer and meeting fees for directors should target the 50th percentile and total compensation should target the 50th to 75th percentile of the comparator group selected for the year, actual compensation in 2015 was below those percentiles.

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the directors for the Corporation's financial year ended December 31, 2015. In light of challenging market conditions and in order to preserve cash, directors voluntarily agreed that their 2015 fees would settled with RSUs (a share-based award) in lieu of cash.

Name	Fees earned ($)	Share-based awards ($)[1]	Option-based awards ($)[2]	All other compensation ($)	Total ($)
Peter Goudie	-	53,750	12,072	-	65,822
Scott M. Hand	-	125,000	18,107	-	143,107
Peter C. Jones	-	56,250	12,072	-	68,322
Frank Marzoli	-	42,500	12,072	-	54,572
Gilles Masson	-	58,750	12,072	-	70,822
Donald McInnes	-	46,250	12,072	-	58,322
Tyler Mitchelson[3]	7,695	6,250	-	-	13,945
Darryl Sittler[3]	10,195	7,500	-	-	17,695

Notes:

(1) This represents RSUs granted under the Share Incentive Plan. RSUs granted in 2015 were granted on March 31, 2015, June 30, 2015, September 30, 2015 and December 31, 2015 in lieu of directors fees; the number of RSUs granted was based on prices of $0.30, $0.39, $0.236 and $0.182 respectively, the 7-day VWAP of the common shares on the TSX on the date of the grant.

(2) Represents options. On December 11, 2015, Mr. Hand received a grant of 225,000 options, and the other directors each received a grant of 150,000 options. Subject to certain exceptions relating to a change of control or ceasing to be a director, the options granted to the directors vested immediately. The fair value of option-based awards was determined using the Black-Scholes pricing model. The Black-Scholes award valuation is determined using the exercise price, expected life of the award, expected volatility of the common share price, expected dividend yield and risk-free interest rate. The Corporation assigns an exercise price equivalent to the value of one common share on the TSX on the date immediately preceding the grant date.

(3) Messrs. Mitchelson and Sittler terms as directors ended at the June 11, 2015 Meeting.

Discussion of Director Compensation Table

Significant factors necessary to understand the information disclosed in the Director Compensation Table above include retainers and fees and DSUs and SARs granted under the Share Incentive Plan (for more information, see "Share Incentive Plan" above).

Retainers and Fees

The Board meets annually to review the adequacy and form of directors' compensation. As noted above, directors agreed that their 2015 fees would settled with RSUs (a share-based award) in lieu of cash. The following director compensation arrangements were in place for 2015):

Annual Board Retainer (base)[(1)]	$20,000
Annual Retainer for the Executive Chairman of the Board	$125,000
Additional Annual retainer for Chairman of the Audit Committee	$10,000
Additional Annual retainer for Chairpersons of other Board Committees	$5,000
Board/Committee meeting attendance fee[(1)]	$1,250

Share-Based Awards and Option-Based Awards as at December 31, 2015

The following table (presented in accordance with Form 51-102F6) sets forth for each director all awards outstanding at the end of the financial year ended December 31, 2015, including awards granted before the most recently completed financial year that were still outstanding on December 31, 2015.

	Option-based Awards Vested and Unvested				**Share-based Awards**		
Name	**Number of securities underlying unexercised award (#)[(1)]**	**Award exercise or base price ($)**	**Award expiration date[(2)]**	**Value of unexercised in-the-money awards ($)[(3)]**	**Number of shares or units of shares that have not vested (#)[(4)]**	**Market or payout value of share-based awards that have not vested ($)[(5)]**	**Market or payout value of vested share-based awards not paid out or distributed ($)[(5)]**
Peter Goudie	Options				-	-	50,665
	40,000	0.27	12-Dec-2018	-			
	400,000	0.65	16-Apr-2019	-			
	80,000	0.335	12-Dec-2019	-			
	150,000	0.175	11-Dec-2020	750			
	SARs						
	52,000	0.40	14-Dec-2022	-			
	50,000	0.27	12-Dec-2018	-			
Scott M. Hand	Options				-	-	181,756
	60,000	0.27	12-Dec-2018	-			
	600,000	0.65	16-Apr-2019	-			
	120,000	0.335	12-Dec-2019	-			
	225,000	0.175	11-Dec-2020	1,125			
	SARs						
	78,000	0.40	14-Dec-2022	-			
	75,000	0.27	12-Dec-2018	-			

	Option-based Awards Vested and Unvested				Share-based Awards		
Name	**Number of securities underlying unexercised award (#)[1]**	**Award exercise or base price ($)**	**Award expiration date[2]**	**Value of unexercised in-the-money awards ($)[3]**	**Number of shares or units of shares that have not vested (#)[4]**	**Market or payout value of share-based awards that have not vested ($)[5]**	**Market or payout value of vested share-based awards not paid out or distributed ($)[5]**
Peter C. Jones	Options				-	-	51,992
	40,000	0.27	12-Dec-2018	-			
	400,000	0.65	16-Apr-2019	-			
	80,000	0.335	12-Dec-2019	-			
	150,000	0.175	11-Dec-2020	750			
	SARs						
	52,000	0.40	14-Dec-2022	-			
	50,000	0.27	12-Dec-2018	-			
Frank Marzoli	Options				-	-	42,679
	150,000	0.35	8-Mar-2017	-			
	40,000	0.27	12-Dec-2018	-			
	300,000	0.65	16-Apr-2019	-			
	80,000	0.335	12-Dec-2019	-			
	150,000	0.175	11-Dec-2020	750			
	SARs						
	52,000	0.40	14-Dec-2022				
	50,000	0.27	12-Dec-2018				
Gilles Masson	Options				-	-	54,182
	150,000	1.00	15-Aug-2017	-			
	40,000	0.27	12-Dec-2018	-			
	300,000	0.65	16-Apr-2019	-			
	80,000	0.335	12-Dec-2019	-			
	150,000	0.175	11-Dec-2020	750			
	SARs						
	52,000	0.40	14-Dec-2022	-			
	50,000	0.27	12-Dec-2018	-			
Donald McInnes	Options				-	-	33,025
	101,660[6]	1.48	19-Sep-2017	-			
	50,830[6]	0.74	25-Mar-2019	-			
	100,000	0.53	13-Aug-2019	-			
	80,000	0.335					
	150,000	0.175	12-Dec-2019	-			
			11-Dec-2020	750			
Darryl Sittler	Options				-	-	-
	150,000	0.35	01-Jun-2016	-			
	40,000	0.27	10-Jun-2016	-			
	300,000	0.65	10-Jun-2016	-			
	80,000	0.335	10-Jun-2016	-			

Notes:

(1) This represents options and stand-alone cash-settled SARs. Subject to certain exceptions relating to a change of control or ceasing to be a director, the SARs granted to the directors vest if the Compensation Committee passes a resolution approving the redemption of the SARs having regard to the Corporation's financial condition, project status and overall market conditions, provided that the number of SARs to vest will be dependent upon the length of service of the director as follows: one-third will not be dependent on the length of service and shall vest upon the Committee approval condition referred to above, one-third will only vest subject to the Committee approval referred to above if the director is still serving as a director on the first anniversary of the date of grant and the remaining one-third will only vest subject to the Committee approval referred to above if the director is still serving as a director on the second anniversary of the date of grant. Notwithstanding the above, in the event that the Committee approval condition is not met prior to December 12, 2018 (for SARS granted in 2013), the SARs will be redeemed on December 12, 2018 and if not met prior to December 14, 2022 (for SARs granted in 2012), the SARs will be redeemed on December 14, 2022.

(2) All vested SARs must be redeemed on or before the expiration date specified above.

(3) The value of unexercised option-based awards was calculated using the closing price of common shares on the TSX on December 31, 2015 of $0.18 less the exercise or base price of the award.

(4) This represents RSUs and DSUs.

(5) The market or payout value was calculated using the closing price of common shares on the TSX on December 31, 2015 of $0.18.

(6) Mr. McInnes became of a director on June 18, 2014. He received these options of the Corporation in exchange for options to acquire shares of True North Inc. (pursuant to the terms and conditions of the agreements providing for the acquisition by the Corporation of a 55.9% interest in True North Inc.).

Incentive Plan Awards – Value Vested or Earning During The Year

The following table (presented in accordance with Form 51-102F6) sets forth details of the value vested or earned by each director during the financial year ended December 31, 2015 for each incentive plan award.

Name	Option-based awards – Value vested during the year ($)[(1)]	Share-based awards – Value vested during the year ($)[(2)]
Peter Goudie	-	51,499
Scott M. Hand	-	120,134
Peter C. Jones	-	53,902
Frank Marzoli	-	40,723
Gilles Masson	-	56,304
Donald McInnes	-	44,278
Tyler Mitchelson[(3)]	-	6,250
Darryl Sittler[(3)]	-	7,500

Notes:

(1) Represents the aggregate dollar value that would have been realized if the Options or SARs that vested during the year had been exercised or redeemed, as applicable, on the vesting date.

(2) This represents RSUs and DSUs. The value of share-based awards that vested during the year was calculated using the closing price of common shares on the vesting date on the TSX.

(3) Messrs. Mitchelson and Sittler terms as directors ended at the June 11, 2015 Meeting.

OTHER INFORMATION

1. Securities Authorized for Issuance Under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column (a)) (c)
Equity compensation plans approved by securityholders:[1]			
Options	14,342,852	$0.55	
Awards	2,930,368	-	
Sub Total	17,273,220[2]		1,880,453
Equity compensation plans not approved by securityholders	—	—	—
Total	17,273,220	-	1,880,453

Notes:

(1) The number of common shares issuable upon the exercise of Options and made available as Awards, in aggregate, cannot exceed 15% of the issued and outstanding common shares from time to time.

(2) Includes Options and Awards under Share Incentive Plan, which Awards include 1,097,343 DSUs and 1,833,025 RSUs which are redeemable in cash or common shares at the option of the holder, but exclude 906,000 SARs and 2,449,200 RSUs, which are redeemable in cash only.

2. Indebtedness of Directors and Executive Officers

During the most recently completed financial year and as at the date hereof, no director, proposed nominee for election as a director, executive officer, employee or associate of any such persons has been or is indebted to the Corporation, nor has the Corporation guaranteed any loans on behalf of any of these persons.

3. Interest of Informed Persons in Material Transactions

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or executive officer of the Corporation, any other informed person of the Corporation (as defined in NI 51-102), any proposed nominee for election as a director of the Corporation, or any associate or affiliate of any such person, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

RNC considers good corporate governance to be central to the effective and efficient operation of its business and is committed to implementing high standards of corporate governance and reporting. The Board reviews and formulates policies with respect to corporate governance issues. RNC attempts, so far as is practical and reasonable given the nature of RNC's business and available resources, to seek to adhere to the guidelines outlined in *National Policy 58-201 – Corporate Governance Guidelines*.

1. Board of Directors

Composition of the Board

The Board is currently comprised of six directors, all of whom will be standing for re-election. The Articles of Incorporation and Bylaws of the Corporation provide that its Board be comprised of a minimum of three directors and a maximum of ten directors. The Board has considered the independence of each of its directors. Consistent with *National Instrument 58-101 – Disclosure of Corporate Governance Practices* ("**NI 58-101**"), to be considered independent, the Board must conclude that a director has no material relationship with the Corporation. A "material relationship" is a relationship that could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship. The Board has concluded that all six directors standing for election are "independent" as defined in NI 58-101.

Other Directorships

Certain directors of the Corporation are also presently directors of other issuers that are reporting issuers (or the equivalent) in Canada or elsewhere. Information as to such other directorships is set out below.

Director	**Public Corporation**
Scott M. Hand	Legend Gold Corp. Chinalco Mining Corporation International
Peter C. Jones	Lundin Mining Corporation
Gilles Masson	Semafo Inc.
Donald McInnes	Pilot Gold Inc. True Gold Mining Inc. Lattice Biologics Ltd. Alterra Power Corp. Galena International Resources Ltd.

Independent Directors' Meetings

The Board meets at least once each quarter, with additional meetings held as deemed necessary. A session of the independent directors is held at which non-independent directors, if any, and members of management are not in attendance at the end of each regularly scheduled Board meeting. In 2015, six Board meetings were held at which such independent sessions were held.

Chair of the Board

The Board has concluded that Mr. Hand, the Executive Chairman of the Board, is an independent director. The prime responsibility of the Executive Chairman is to provide leadership to the Board to enhance Board effectiveness. The Board has ultimate accountability for supervision of management of the

business and affairs of the Corporation. Critical to meeting this accountability is the relationship between the Board, management and shareholders. The Executive Chairman oversees these relationships and acts as the presiding member of the Board with a view to ensuring that these relationships are effective, efficient and further the best interests of the Corporation.

Attendance at Meetings

The Board meets regularly to review the activities and financial results of the Corporation and as necessary to review and consider significant impending actions of the Corporation. For the attendance record of each director for all Board meetings held during the financial year ended December 31, 2015, please see the table under "Business of the Meeting – Election of Directors".

2. Board Mandate

The Charter of the Board of Directors (the "**Board Charter**") sets out the roles and responsibilities to be discharged by directors. A copy of the Board Charter is attached as Appendix A to this Circular.

Position Descriptions

Written position descriptions have been developed by the Board for the Executive Chairman of the Board, the Chairs of the committees of the Board and the Chief Executive Officer of the Corporation. These position descriptions have been approved by the Board.

Orientation and Continuing Education

In accordance with the Corporation's policies on orientation for new directors, each new director is provided a copy of the Corporation's Director Handbook, which contains written information about the Corporation's governing documents, code of business conduct and ethics, charters and other material information about the Corporation. Directors are strongly encouraged to visit the Corporation's facilities and operations and to meet with the senior executives of the Corporation, when appropriate. Directors are also encouraged to be a member of a professional director organization and/or have a subscription with an organization that provides educational materials or corporate governance and/or director responsibilities, current trends and other relevant director information.

Code of Business Conduct and Ethics

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") to outline principles to which RNC's employees, officers and directors are expected to adhere in the conduct of the Corporation's business. The Code addresses, among other things, conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and the reporting of illegal or unethical behaviour. All employees, officers and directors are expected to abide by the Code. Compliance with the Code is monitored by the Corporate Governance and Nominating Committee. In order to ensure compliance with the Code, directors, officers and other employees of the Corporation may be required to provide certificates of compliance with the Code at least annually. The Code is available on SEDAR at www.sedar.com.

The Corporation has also adopted a whistleblower policy, an insider trading policy and other policies with a view to promoting a culture of ethical business conduct.

Nomination of Directors

The Corporate Governance and Nominating Committee (the "**CGN Committee**") assists in the identification of and recommends to the Board nominees for election or re-election to the Board, or for appointment to fill any vacancy that is anticipated or has arisen on the Board. The process by which the Board will identify new candidates for Board nomination will involve: periodically, or as frequently as deemed necessary, reviewing the appropriate skills and characteristics required of Board members to add value to the Corporation; periodically, or as frequently as deemed necessary, reviewing the current composition of the Board in light of the characteristics of independence, diversity, age, skills, experience and availability of service of its members and of anticipated needs; and seeking and reviewing individuals qualified to become members of the Board, in the context of the Corporation's needs and the criteria established by the Board.

The Corporation has adopted a majority voting policy that stipulates that, except in a contested meeting, if a director nominee receives a greater number of votes withheld for his or her election than for his or her election, the nominee will submit his or her resignation promptly after the meeting. Within 90 days of the meeting, the CGN Committee will make a recommendation to the Board, and the Board's decision to accept or reject the resignation offer will be disclosed to the public. Subject to certain exceptions, the nominee will not participate in any committee or Board deliberations on the resignation offer. The Corporation is entitled to nominate only those candidates for election or re-election as directors who agree, prior to their nomination, to tender their resignations in accordance with the terms of the policy.

The CGN Committee also develops and recommends to the Board the corporate governance procedures, charters and policies of the Corporation, monitors compliance with such procedures, charters and policies and assesses the effectiveness of the Board as a whole as well as the contribution of committees and individual members.

Compensation

It is the Compensation Committee's responsibility to: develop a compensation philosophy and policy; evaluate and make recommendations to the Board regarding cash, equity-based and incentive compensation of the Corporation's directors and senior executives; review and approve the goals and objectives relevant to the compensation of the Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives and make recommendations to the Board for the Chief Executive Officer's compensation based on the evaluation; review and make recommendations to the Board with respect to the compensation of directors; make certain determinations with respect to the compensation of senior executives other than the Chief Executive Officer; and review executive compensation disclosure before the Corporation publicly discloses the information.

For information regarding the process by which the Board determines the compensation for the Corporation's senior executives, please see "Statement of Executive Compensation – Compensation Discussion and Analysis". For information regarding the process by which the Board determines the compensation for the Corporation's directors, please see "Statement of Executive Compensation – Director Compensation".

3. Other Board Committees

Other than the Audit Committee, the Compensation Committee and the CGN Committee, the Board does not have any other standing committees other than the Health, Safety and Environment Committee (the "**HSE Committee**"). The HSE Committee is responsible for overseeing the development and implementation of policies and management systems of the Corporation relating to environmental and

health and safety issues in order to ensure compliance with applicable laws and best management practices. It is the HSE Committee's responsibility to ensure adequate resources are available and systems are in place for management of the Corporation to implement appropriate environmental, health and safety programs and to ensure that the Corporation has implemented an environmental and health and safety compliance audit program.

Board Assessments

The Board has express responsibility under the Board Charter to assess its own effectiveness in fulfilling its responsibilities, including monitoring the effectiveness of its committees and individual directors. The CGN Committee is the committee responsible for establishing criteria and processes for, and leading the Board in a performance evaluation (performed once every two years) of the Board, its committees and individual directors. The results of this evaluation are then reported to the full Board by the chair of the CGN Committee.

Gender Diversity on the Board and Senior Management

The Board, which does not currently include any women, has not adopted a written policy relating to the identification and nomination of women directors, as it believes that the interests of the Corporation and its shareholders are best served by ensuring that new directors are identified and selected without any restrictions or preferences relating to gender. The level of representation of women on the Board is therefore not considered in identifying and nominating candidates for election or re-election. The Corporation is committed to ensuring that its Board at all times has the required range of skills, knowledge, experience and perspectives to provide the strategic direction and leadership necessary for RNC to achieve its business objectives. The Board is of the view that written policies governing the selection of Board nominees could unduly restrict the Board's ability to select the most qualified candidates.

25% of the Corporation's senior management team are women (one of four). The Corporation's position with respect to the representation of women in senior management is the same as its position with respect to the representation of women on the Board. It believes that people should be hired and promoted based on their professional qualifications, accomplishments and merit. Accordingly, the level of representation of women in senior management positions is not considered when making these appointments.

The Corporation has not adopted a target regarding women on the Board or in senior management. As noted above, the Board is of the view that adopting such a target could unduly restrict the Corporation's ability to identify and select the most qualified people.

Term Limits

The Corporation is committed to ensuring that the Board at all times has the appropriate mix of skills, expertise and knowledge. It has not adopted, and is not currently contemplating the adoption of, formal term limits or a formal retirement policy for its directors. The Corporation believes that the imposition of such limits could be counter-productive as it has been the Corporation's experience that its more senior directors, who may have been forced to retire if such policies were implemented, continue to provide invaluable insight, perspectives and guidance that are critical as the Board and senior management work to achieve RNC's strategic and operational objectives. Renewal is facilitated through the annual assessments of the Board, its committees, committee chairs and individual directors (described above, in which Board members evaluate each other and the Board as a whole in order to determine whether there are areas where the Board requires improvement) - feedback coming out of this process was one of the reasons a determination was made to reduce the size of the Board in 2015 by two members (from eight directors to six directors). The addition of Donald McInnes, a highly regarded and experienced nickel / mining industry executive, to the Board in 2014 is another example of the Board's commitment to selective renewal and improvement as circumstances warrant.

ADDITIONAL INFORMATION

The CBCA, which governs the Corporation, provides that shareholder proposals must be received by February 5, 2016, to be considered for inclusion in the proxy statement and the form of proxy for the annual and special meeting of shareholders to be held in 2016.

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. In particular, reference is made to the pending acquisition of VMS Ventures Inc. pursuant to which the Corporation will acquire all of the issued and outstanding shares of VMS Ventures Inc. in exchange for total aggregate consideration comprising 36,000,000 Common Shares of RNC and CDN$3,507,000 of cash, as described in a news release dated February 1, 2016. This transaction is expected to close in late April, 2016.

Financial information is provided in the Corporation's audited annual financial statements and management's discussion and analysis ("**MD&A**") for the year ended December 31, 2015.

In addition, copies of the Corporation's audited financial statements and MD&A may be obtained upon request to the Chief Financial Officer of the Corporation. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DIRECTORS' APPROVAL

The directors of the Corporation have approved the contents and the sending of this Circular.

BY ORDER OF THE BOARD

(signed) Mark Selby

Toronto, Ontario
April 18, 2016

Mark Selby
President and Chief Executive Officer

APPENDIX A
CHARTER OF THE BOARD OF DIRECTORS

1.0 ROLE OF THE BOARD

The role of the board of directors of RNC Corporation (the "**Company**") is to oversee, directly and through its committees, the business and affairs of the Company, which are conducted by its officers and employees under the direction of the Chief Executive Officer ("**CEO**"). In doing so, the board acts at all times with a view to the best interests of the Company.

2.0 AUTHORITY AND RESPONSIBILITIES

The board meets regularly to review reports by management on the performance of the Company. In addition to the general supervision of management, the board performs the following functions:

2.1 Strategic Planning

Overseeing the strategic planning process within the Company and periodically reviewing, approving and monitoring the strategic plan for the Company including fundamental financial and business strategies and objectives.

2.2 Risk Assessment

Assessing the major risks facing the Company and reviewing, approving and monitoring the manner of managing those risks.

2.3 CEO

Developing the corporate objectives that the CEO is responsible for meeting and selecting, evaluating and compensating the CEO.

2.4 Senior Management

Overseeing the selection, evaluation and compensation of senior management and monitoring succession planning.

2.5 Disclosure Policy

Adopting a disclosure policy for the Company which is designed to ensure the timeliness and integrity of communications to shareholders and establishing suitable mechanisms to receive stakeholder views.

2.6 Corporate Governance

Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines applicable to the Company.

2.7 Internal Controls

Reviewing and monitoring the controls and procedures within the Company to maintain its integrity including its disclosure controls and procedures, and its internal controls and procedures for financial reporting and compliance; and

2.8 Maintaining Integrity

On an ongoing basis, satisfying itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company, including compliance with its Code of Business Conduct and Ethics.

3.0 COMPOSITION AND PROCEDURES

3.1 Size of Board and Selection Process

The directors of the Company are elected each year by shareholders at the annual and special meeting of shareholders. The board, with the assistance of the Corporate Governance and Nominating Committee, proposes individual nominees to shareholders for election. Any shareholder may propose a nominee for election to the board either by means of a shareholder proposal upon compliance with the requirements prescribed by the *Canada Business Corporations Act* ("**CBCA**") or by complying with the advance notice requirements of the Company's by-laws. The board also recommends the number of directors on the board to shareholders for approval. Between annual and special meetings, the board may appoint directors to serve until the next annual and special meeting.

3.2 Qualifications

Directors should have the highest personal and professional ethics and values and be committed to advancing the best interests of the Company. They should possess skills and competencies in areas that are relevant to the Company's activities. A majority of the directors will be independent based on the rules and guidelines of applicable stock exchanges and securities regulatory authorities.

3.3 Director Orientation

The Company's management team is responsible for providing an orientation and education program for new directors.

3.4 Meetings

The board has at least four scheduled meetings a year. The board is responsible for its agenda. Prior to each board meeting, the CEO discusses agenda items for the meeting with the Chairman of the board. Materials for each meeting are distributed to the directors in advance of the meetings. At the conclusion of each regularly scheduled meeting, the independent directors meet without management present.

3.5 Committees

The board has established the following standing committees to assist the board in discharging its responsibilities: (i) Audit, (ii) Corporate Governance and Nominating, (iii) Compensation, and (iv) Health, Safety and Environment. Special committees may be established from time to time to assist the board in connection with specific matters. The chair of each committee reports to the board following meetings of the committee. The terms of reference of each standing committee are reviewed periodically by the board.

3.6 Evaluation

The Corporate Governance and Nominating Committee performs an annual evaluation of the effectiveness of the board as a whole, the committees of the board and the contributions of individual directors.

3.7 Compensation

The Compensation Committee recommends to the board the compensation for non-management directors. In reviewing the adequacy and form of compensation, the committee seeks to ensure that the compensation reflects the responsibilities and risks involved in being a director of the Company and aligns the interests of the directors with the best interests of the Company.

3.8 Access to Independent Advisors

The board and any committee may at any time retain outside financial, legal or other advisors at the expense of the Company. Any director may, subject to the approval of the Chairman of the board, retain an outside advisor at the expense of the Company.

3.9 Attendance

Directors are expected to attend all properly called meetings in person or by telephone. As a minimum, directors are expected to attend at least 75% of all properly called meetings and to have reviewed meeting materials in advance.

Reviewed and approved by the Board of Directors on November 8, 2013.

APPENDIX B
AUTHORIZING RESOLUTIONS

Resolution #1 – RNC Share Issuance Resolution

CONTEXT:

In each case as more particularly described and set forth in the management information circular of Royal Nickel Corporation ("**RNC**") accompanied by the notice of the meeting:

A. On March 15, 2016 RNC increased its equity interest in Salt Lake Mining Pty Ltd. ("**SLM**") to 66% by acquiring (the **"Initial SLM Transactions"**) 46% of the issued and outstanding ordinary shares ("**SLM Shares**") of SLM in exchange for 31,937,831 common shares of RNC ("**RNC Shares**");

B. RNC also entered into a shareholders' agreement with shareholders of SLM who hold the remaining 34% of the SLM Shares, under which, among other things, the Corporation has the right (but not the obligation) (the "**Call Option**") to acquire all of the SLM Shares not already owned by the Corporation during the period commencing April 1, 2016 and ending September 20, 2016 (subject to required approvals);

C. Under Section 611(c) of the TSX Company Manual, security holder approval is required in those instances where the number of securities issued or issuable in payment of the purchase price for an acquisition exceeds 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the acquisition (the "**25% Test**");

D. The RNC Shares issuable on the exercise of the Call Option (a maximum of 25,622,213 RNC Shares) have been aggregated with the RNC Shares issued as part of the Initial SLM Transactions (31,937,831 RNC Shares) for purposes of this 25% Test as it is applied to the Call Option, thereby triggering the security holder approval requirement. A total of 57,560,044 RNC Shares will be issuable or issued on the exercise of the Call Option (and consummation of these transactions) and under the Initial SLM Transactions, representing 35.2% of the total number of issued and outstanding shares outstanding as of the date of this Circular, and 43.8% of the total number of issued and outstanding shares as of February 1, 2016, the date the Initial SLM Transactions were announced (in each case on a non-diluted basis).

A. On March 18, 2016 (as revised on April 12, 2016 to reflect a larger number of shares issuable), the TSX conditionally approved the listing of up to 25,622,213 RNC Shares, subject to security holder approval in accordance with the requirements of the TSX Company Manual

BE IT RESOLVED THAT:

1. The issuance of up to 25,622,213 RNC Shares upon exercise by RNC of the Call Option, is hereby approved.

2. Any director or officer of RNC be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of RNC all such certificates, instruments, agreements, documents

and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this resolution.

Resolution #2 – Share Incentive Plan Resolution

CONTEXT:

A. On June 14, 2010, the shareholders of RNC approved its 2010 share incentive plan. The 2010 share incentive plan was amended and restated on March 26, 2013 (other than amendments to Section 22, which became effective upon approval of shareholders of RNC at its annual and special shareholders meeting held on June 14, 2013), (as set out in Exhibit 1 hereto, the "**Share Incentive Plan**");

B. The rules of the TSX require that all unallocated entitlements under plans that do not have a fixed maximum number of shares issuable (*i.e.*, "evergreen plans") must be approved by shareholders every three years; and

C. The board of directors of RNC has, subject to shareholder approval, adopted a resolution approving all unallocated entitlements under the Share Incentive Plan.

BE IT RESOLVED THAT:

1. All unallocated entitlements under the Share Incentive Plan be and are hereby approved;

2. RNC has the ability to continue granting entitlements under the Share Incentive Plan until May 18, 2019; and

3. Any director or officer of the Corporation be and is hereby authorized and directed to execute and deliver for and in the name of and on behalf of RNC all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person's opinion may be necessary or desirable for the purpose of giving effect to this resolution.