

RNC Releases Year-End Financial Results And Review Of 2010

TORONTO, March 25 /CNW/ - Royal Nickel Corporation (TSX: RNX) ("RNC" or the "Corporation") is pleased to report its review of activities and financial results for the year ended December 31, 2010.

Highlights 2010

- Completed a NI 43-101 compliant Preliminary Assessment of the Dumont Nickel Project which showed that a 100,000 tonnes per day operation would generate US\$1.1 billion in after-tax NPV_{8%} and produce over 64,000 tonnes of nickel per year on average over the life of the operation.⁽¹⁾
- Completed bench scale metallurgical testing of 70 samples from the Dumont Nickel Project using standard test procedures.
- Commissioned—through a third party contractor—a dedicated mini pilot plant, operating at 20 kilograms per hour, to further optimize the flowsheet and completed mini pilot plant testing of seven different composites from various locations within the Dumont Nickel deposit.
- Completed a \$45.1 million initial public offering in December 2010 (with gross proceeds of an additional \$6.6 million received in January 2011 on exercise of over-allotment option).
- Completed a \$5.0 million private placement financing through the issuance of 2,500,000 shares to Ningbo Sunhu Chem. Products Co. Ltd., a leading Chinese nickel distributor.
- Incurred a net loss of \$13.0 million in 2010, compared to \$7.6 million in 2009.

¹ See Preliminary Assessment of the Dumont Nickel Project dated September 30, 2010 available on SEDAR at www.sedar.com. The Preliminary Assessment assumes a long term nickel price of US\$7.50/lb and a Cdn\$/US\$ exchange rate of \$0.90.

For the year ended December 31, 2010, the Corporation incurred a loss of \$13.0 million (\$0.21 per share) compared to \$7.6 million (\$0.13 per share) in 2009. Non-cash charges from the issuance of stock-based compensation in 2010 increased by \$4.3 million, of which \$3.5 million reflects the extension of the life of stock options from 5 to 10 years. Office and administration expenses and professional fees increased by \$0.7 million and \$0.5 million respectively and reflect the growth of the Corporation's activities in 2010.

Tyler Mitchelson, President and CEO, commenting on RNC's 2010 activities noted: "We are very pleased with the progress we made in 2010 towards our goal of developing potentially the fourth largest nickel sulphide operation in the world. In addition to operational success, we achieved a major corporate milestone with the December initial public offering, which was very well received. We are now well positioned for completion of a pre-feasibility study in 2011 and I look forward to seeing the results of our optimization work."

Key Milestones 2011

- Completion of the initial mini pilot plant testing and optimization studies plan targeted for the second quarter of 2011.
- Completion of an updated resource estimate targeted for the third quarter of 2011.
- Completion of a pre-feasibility study targeted for late third quarter or early fourth quarter of 2011.
- Launch of a community consultation process with key stakeholders to solicit community input into project development.
- Launch of the environmental permitting process targeted for the end of 2011.
- Initiate feasibility support work in the fourth quarter of 2011.

Highlights of the Corporation's financial position are as follows:

	2010 (in millions of dollars)	2009 (in millions of dollars)
Cash position ⁽¹⁾	47.5	10.2
Working capital ⁽²⁾	44.4	13.3
Total assets	87.3	39.6

Shareholder's equity	81.3	38.5
Net loss	(13.0)	(7.6)
	(in dollars)	(in dollars)
Net loss per share	(0.21)	(0.13)

(1) Includes Cash and Cash equivalents and short-term investments.

(2) Working capital is a measure of current assets less current liabilities.

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the exploration, development, evaluation and acquisition of base metal and platinum group metal properties. RNC's principal asset is the 100% owned Dumont Nickel Project strategically located in the established Abitibi mining camp, 25 kilometres northwest of Amos, Quebec. The Corporation has a strong management team and Board with over 100 years of mining experience in the nickel business at Inco and Falconbridge. The Corporation's common shares and warrants trade on the TSX under the symbols RNX and RNX.WT.

Cautionary Statements Concerning Forward-Looking Statements

This news release contains "forward-looking information" which include targeted milestones for 2011. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Readers should not place undue reliance on forward-looking statements.


Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: the actual results of current exploration and development activities; project delays; funding needs; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutions; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; accidents, labour disputes and other risks of the mining industry; political instability, terrorism, insurrection or war; delays in obtaining governmental approvals, necessary permitting or in the completion of development or construction activities, as well as those factors discussed in the section entitled "Risk Factors" in the prospectus of the Corporation. Such forward-looking statements are based on a number of material factors and assumptions identified in the prospectus of the Corporation.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this news release and the Corporation disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.

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Additional assets available online:  [Documents \(1\)](#)