

## Royal Nickel Announces First Quarter 2011 Results

TORONTO, June 2, 2011 /CNW/ - Royal Nickel Corporation (TSX: RNX) ("RNC" or the "Corporation") is pleased to report its review of activities and financial results for the quarter ended March 31, 2011. Effective January 1, 2011, RNC has adopted International Financial Reporting Standards ("IFRS"). As a result, RNC will report under IFRS for interim and annual periods beginning January 1, 2011, with comparative information for 2010 restated under IFRS. All amounts are expressed in Canadian dollars and are based on our unaudited interim financial statements for the three months ended March 31, 2011, unless otherwise noted.

### First Quarter and Recent Highlights

- Announced positive results of an optimization study and additional metallurgical test results for the Dumont Nickel Project that support the construction of a simplified, lower cost and more robust flowsheet. Two sets of test work in the mini pilot plant confirmed rougher recovery performance. The cleaning stage recoveries that form a significant component of the overall nickel recovery for the orebody will be tested over the coming months and reflected in the pre-feasibility study results later in the year.
- Announced the awarding of the contract for the Dumont Nickel Project pre-feasibility study to Ausenco and SRK Consulting who are collaborating on the project.
- Announced the completion of the sale of 2,925,000 units at a price of \$2.25 per unit for gross proceeds of an additional \$6.6 million on exercise by the underwriters of the over-allotment option granted in connection with the Corporation's December 2010 initial public offering. Each unit was comprised of one common share and one-half of one common share purchase warrant, with each warrant exercisable at \$3.00 per share until December 15, 2012.
- Commenced a community information and consultation process ahead of the pre-feasibility study in order to understand and address community views early in the Dumont Nickel Project's development and to enhance the pre-feasibility study.
- Incurred a net loss of \$1.7 million (\$0.02 per share) compared to a net loss of \$2.2 million (\$0.04 per share) in the same period in 2010.

For the three months ended March 31, 2011, the Corporation incurred a loss of \$1.7 million (\$0.02 per share) compared to \$2.2 million (\$0.04 per share) in the same period last year. This lower loss is primarily due to the absence of a non-cash liquidity entitlement charge in the first quarter of 2011. The commitment to issue common shares under a liquidity entitlement agreement ceased when the Corporation was listed on the Toronto Stock Exchange in December 2010.

Tyler Mitchelson, President and CEO, commented "We are pleased to report continued progress towards our goal of developing what is potentially the fourth largest nickel sulphide operation in the world. The recently announced results of our optimization study and metallurgical testing at the Dumont Nickel Project clearly support a simplified, lower cost and more robust flowsheet, which addresses a key risk factor for the project as we work toward completion of our pre-feasibility study."

### Key Milestones Balance 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 or early fourth quarter of 2011.
- Launch of the environmental permitting process targeted for the end of 2011.

Highlights of the Corporation's financial position are as follows (in millions of dollars):

	March 31, 2011	December 31, 2010 <sup>(1)</sup>
Cash position <sup>(2)</sup>	45.6	47.5
Working capital <sup>(3)</sup>	43.6	44.5
Total assets	92.7	86.6
Shareholder's equity	82.0	76.8

(1) -Revised under IFRS

(2) -Includes Cash and Cash equivalents.

(3) -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. A NI 43-101 compliant Preliminary Economic Assessment of the Dumont Nickel Project completed in September 2010 estimated after-tax NPV<sub>8%</sub> to be US\$1.1 billion based on a planned 100,000 tonnes per day operation and production of over 64,000 tonnes of nickel per year on average over the life of the operation. 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 Statement Concerning Forward-Looking Statements

*This news release contains "forward-looking information" which include targeted milestones for 2011 and our expectation of a simplified, lower cost and more robust flow sheet. 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. The Preliminary Economic Assessment, and the estimates contained therein, as well as the results of the optimization study and metallurgical testing to date are preliminary in nature and are based on a number of assumptions, any one of which, if incorrect, could materially change the projected outcome. Factors that could affect the outcome include, among others: the actual results of current exploration and development activities; nickel recovery; 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. For a more detailed discussion of such risks and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, refer to RNC's filings with Canadian securities regulators available on SEDAR at [www.sedar.com](http://www.sedar.com) including the Corporation's Preliminary Economic Assessment dated as of September 30, 2010. Such forward-looking statements are based on a number of material factors and assumptions identified in the applicable document including, in the case of the estimate of NPV contained in the Preliminary Economic Assessment, an assumed long term nickel price of US\$7.50/lb and an exchange rate of Cdn\$1.00 = US\$0.90.*

*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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