

## Royal Nickel Announces First Quarter 2011 Results

- 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.

- 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.

	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

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For further information:

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