

Royal Nickel Announces Third Quarter 2011 Results

- On November 1, 2011 the Corporation announced the pre-feasibility study ("PFS") results and announced that a National Instrument 43-101 compliant technical report will be filed within 45 days. Highlights of the Dumont PFS are as follows:
 - US\$1.1 billion after-tax NPV_{8%}, 17% after-tax internal rate of return ("IRR")¹
 - C1 cash costs² of US\$4.13 per pound, second quartile unit cash costs
 - Staged development approach: lower cost and lower risk – more than 50% reduction in initial capital outlay from the 100 ktpd scenario outlined in the preliminary economic assessment
 - Initial capital expenditure of US\$1.1 billion for 50 ktpd operation
 - Expansion to 100 ktpd by year 5 requires \$0.7 billion of additional capital
 - 1.1 billion tonnes of reserves at 0.27% nickel, life-of-mine strip ratio of 1.2:1, 31-year project life
 - Average annual contained nickel production of 96 million pounds (44 kt) during the 19-year mine life and 59 million pounds (27 kt) for the subsequent 12 years from processing of the lower grade stockpile
 - Single high grade concentrate containing an average of 33% nickel over life of project
- Retained GENIVAR Inc., a leading international engineering consulting firm to complete both the *Avis de Projet* (Project Notice), which initiates the environmental permitting process, and the Environmental and Social Impact Assessment (ESIA).
- Discussions were held with potential project finance advisory firms. A project finance advisor is expected to be appointed before the end of 2011. RNC intends to finance the construction of the Dumont Project through a combination of a partner acquiring 30-40% interest at the project level and debt finance of approximately 50% of the project's initial capital.
- Incurred a net loss of \$1.2 million compared to a net loss of \$1.8 million in the same three month period in 2010.
- Completed the initial report from the community consultation process initiated by the Corporation.


- Launch of the environmental permitting process
- Initiation of feasibility support work
- Filing of application to secure low industrial electricity rates
- Appointment of a Project Finance Advisor

September 30, 2011

December 31, 2010¹

Cash position ²	26.9	47.5
Working capital ³	26.1	44.5
Total assets	89.1	86.6
Shareholder's equity	78.4	76.8

For further information:

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