

Royal Nickel Files Dumont Nickel Project Revised Prefeasibility Study Technical Report And Formally Launches Partner Process

(All amounts expressed in US dollars unless otherwise indicated)

TORONTO, June 25, 2012 /CNW/ - Royal Nickel Corporation ("RNC") (TSX: RNX) is pleased to announce, further to its news release of May 14, 2012, that the full Dumont Nickel Project ("Dumont") NI 43-101 compliant technical report ("revised PFS") has been filed under RNC's profile on SEDAR at www.sedar.com and on RNC's website at www.royalnickel.com.

A stated key focus for RNC in 2012 is to advance its goal of securing a project partner for the development of Dumont. With the completion of the revised PFS and following several months of informal discussions, RNC has now entered the formal phase of the partner process during which formal discussions with interested parties will take place and prospective partners will be invited to submit proposals. RNC's financial advisor for the Dumont project, Rothschild (see RNC news release dated January 18, 2012), will play a key role in the partner process and the contemplated project financing for Dumont.

"The full revised PFS is now complete and the hard work continues as our team has turned its full attention to key near-to-mid-term milestones such as the project partnership and finance process and advancing the feasibility study, which is already underway," said Tyler Mitchelson, President and CEO of RNC.

The previously announced highlights from the revised PFS (base case including trolley assist option) compared to the previous PFS filed on SEDAR in December 2011 include:

- 31% increase in after-tax NPV_{8%} to \$1.4 billion; 19.5% after-tax internal rate of return ("IRR")¹
- 16% increase in the initial 50 ktpd nickel production to 33 kt (72 million pounds or Mlbs) annually
- 12% increase in production to 49 kt (108 Mlbs) annually during 19-year mine life; and a 7% increase in production to 29 kt (63 Mlbs) annually for the subsequent 12 years from processing of the lower grade stockpile
- 10% increase in recoveries over life of the project to 45%; including an average recovery of 52% during the 19-year mine life
- C1 cash costs² of \$4.07 per pound (\$8,973 per tonne), second quartile unit cash costs
- Diesel consumption reduced by 28% through use of electric trolley assist in haul trucks

NI 43-101 Compliance

Unless otherwise indicated, the Corporation has prepared the technical information in this news release ("Technical Information") based on information contained in the revised pre-feasibility study dated June 22, 2012 relating to the Corporation's Dumont Nickel Project and news releases (collectively the "Disclosure Documents") available under Royal Nickel Corporation's company profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in NI 43-101 - Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The Technical Information contained in this news release has been prepared under the supervision of Alger St-Jean, P. Geo., VicePresident Exploration of the Corporation and Johnna Muinonen, VicePresident Operations of the Corporation, both Qualified Persons under NI 43-101.

About Royal Nickel Corporation

Royal Nickel Corporation is a mineral resource company focused primarily on the exploration, evaluation, development 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. RNC 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" including without limitation statements relating to cost estimates, the timing and amount of future production, costs of production, success of mining operations, the ranking of the project in terms of cash cost and production, economic return estimates and potential upside. 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 pre-feasibility study results are estimates only, are preliminary in nature and are based on a number of assumptions, any of which, if incorrect, could materially change the projected outcome. Until a positive feasibility study has been completed, and even with the completion of a positive feasibility study, there are no assurances that Dumont will be placed into production. Factors that could affect the outcome include, among others: the actual results of development activities; project delays; inability to raise the funds necessary to complete development; general business, economic, competitive, political and social uncertainties; future prices of metals; availability of alternative nickel sources or substitutes; actual nickel recovery; 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.


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.

¹ Based on \$9.00 per pound long term nickel price and CDN\$1.00 = US\$0.90 exchange rate. NPV and IRR calculated from assumed start of construction, January 2014 and based on October 2011 real costs.

² C1 cash costs are defined as the cash cost incurred at each processing stage, from mining through to recoverable nickel delivered to the market, net of by-product credits.

For further information:

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