Royal Nickel Announces $12 Million Investment In Dumont Nickel Project By Ressources Québec

(All amounts expressed in Canadian dollars unless otherwise indicated)

TORONTO, Aug. 1, 2012 /CNW/ - Royal Nickel Corporation ("RNC" or the "Corporation") (TSX: RNX) is pleased to announce that it has signed an investment agreement with Ressources Québec. Under the terms of the agreement, Ressources Québec has acquired an interest in the Dumont Nickel Project ("Dumont") and will have the right to receive 0.8% of the net smelter return in the project in exchange for a purchase price of $12 million.

"Ressources Québec's investment in Dumont demonstrates their confidence in the project and is an example of Quebec's commitment to the responsible development of its resource sector. This investment by Ressources Québec supports our continued momentum as we work toward delivery of a full feasibility study for Dumont by mid-2013. In addition to our existing working capital, this financing should provide sufficient capital for RNC to complete the feasibility study and continue our permitting work" said Tyler Mitchelson, President and CEO of RNC.

"Ressources Québec is pleased to make this investment in the Dumont Project. Our detailed review of the project has given us confidence that the development of Dumont will create tremendous value for the Abitibi region and the economic development of Quebec. We look forward to its anticipated start-up in late 2015" said Denis Williams, General Manager of Ressources Québec.

The Dumont Nickel Project is expected to create approximately 1400 jobs during construction and an average of over 500 full-time jobs when in full production.

Pursuant to the agreement between RNC and Ressources Québec, RNC receives $12 million and Ressources Québec is entitled to receive 0.8% of the net smelter return from the sale of minerals produced from Dumont and receives a 2% undivided co-ownership interest in the property. RNC has the right to repurchase, at any time after the fifth anniversary, all or any portion of Ressources Québec's interest for $10 million for each 0.2% of the net smelter return, to a maximum consideration of $40 million for the entire interest (including the 2% interest in the property).

Prior to this transaction, Ressources Québec completed a review of all aspects of RNC and the Dumont project to its own satisfaction.

RNC intends to use the funds raised under the financing to continue to move forward with activities related to the development of Dumont, including ongoing work on a 43-101 compliant feasibility study and permitting as well as working with its advisor, Rothschild, to bring in a partner for a 30-45% interest in Dumont. RNC is currently in discussions with potential partners in Europe, Japan, and China with goal of securing a partner by late 2012 or early 2013.

About Ressources Québec

Ressources Québec, a new Investissement Québec subsidiary, specializes in the mining and hydrocarbon industries; it will consolidate and spur government investment in projects carried out by mining companies and the hydrocarbon sector.

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 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 the delivery of a full feasibility study, goal of completing the sale of an interest to a partner by late 2012/early 2013, anticipated start-up of mining, and anticipated number of jobs to be created by the project. 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.

SOURCE: Royal Nickel Corporation

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